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ENERGY MINISTER NIELSON DEFENDS MOLLER NORTH SEA PACT

Copenhagen INFORMATION in Dan'sh 14-15 Mar 81 p 9

[Article by Poul Albret]

[Text] Energy Minister Poul Nielson is quite content with the pact entered into with A. P. Moller, which, in his opinion, will meet important objectives in the energy policy area, although the pact has also had its price.

When the pact with A. P. Moller was to be concluded, there actually was no majority in the Folketing in favor of the passage of the bill introduced by the government.

Energy Minister Poul Nielson says that this is one of the reasons why the government concluded the pact:

"After the introduction of the bill, we got an offer from the shipping company of important concessions. Consequently, what we needed to create a majority for was the difference between this offer and the bills introduced, and I am sure that such a majority did not exist."

In this connection, Poul Nielson fastens upon the fact that at the first reading of the bills in the Folketing, both the Radical Liberal Party and the Single-Tax Party recommended that another effort should be made at reaching an agreement.

Poul Nielson adds, however, that the government had wanted to reach an agreement if such an agreement would meet the objectives which the government had set itself in the bills.

It is, first and foremost, a question of an increase in the exploration, a larger oil production, and an improved supply security situation.

Finally, Poul Nielson adds that whereas the pact clarifies the situation now, it was not certain that the bills would have gone through the Folketing in such a way as to satisfy the objectives of the government.

Monday night, a North Sea pact was concluded between the government and A. P. Moller after several weeks of secret negotiations. On the day before the first reading of the bills in the Folketing, Shipowner Arnold Maersk McKinney Moller approached Prime Minister Anker Jorgensen, making "oral concessions" with a view to new negotiations.

Secret Meetings

After a number of additional meetings, it was decided that Poul Nielson and Director Bjarne Fogh, A. P. Moller, would start the actual negotiations--and since 17 March these negotiations have been taking place under the most secret circumstances at Marienborg, in Sellered Inn, the House of Insurers, etc., to avoid curious journalists--and last Monday the pact became a reality.

Compared to the bills introduced by the government, there are four decisive differences: A. P. Moller will be allowed to keep 10 percent of the best oil area (the southwestern part of the North Sea), A. P. Moller will in return prepare work programs for each bloc in the area, A.P. Moller will be granted more time for the development of six oil and gas finds, and the option of the state to buy the oil of the Danish Subsoil Consortium will not be 50 percent but only 40 percent. Incidentally, the 40 percent is only in principle--in that the Danish Subsoil Consortium (DUC) will be given the right of repurchase, which means that the state to begin with may only keep 8 percent--and only in 1990 will it reach the 40 percent.

In addition to the pact, the government has announced that it will propose new subsoil legislation which, to a limited extent, will also apply to A. P. Moller and DUC. The bill will be introduced at the earliest possible date.

And, finally, in the next session of the Folketing, the government will introduce fiscal legislation for the North Sea--and only after such legislation has been passed will it be possible to say who will be earning the billions of kroner from the Danish subsoil.

No Figures on Exploration

Question: One of the goals of the government in changing the monopoly of A. P. Moller has been to increase the exploration. How many more exploratory drillings will result from the pact, for example, in the course of the next 5 years?

Answer: I cannot give any figures on this. We have got some information from A. P. Moller on the amount of equipment at their disposal. And on the basis of that, it is possible to estimate the number of drillings for which they will have capacity--and how many of them will be purely exploratory drillings. But those figures are, of course, not a result of negotiations between the Energy Ministry and A. P. Moller on a future work program.

Question: If one looks at the figures and compares them with the figures which have previously been available on DUC's own scheduled work programs, one will notice an increase of approximately one exploratory or confirmatory drilling per year. That does not sound impressive?

Answer: It is not possible to evaluate this yet. DUC will first have to prepare work programs for each of the 7-9 blocs which they will be allowed to keep, and subsequently, it will have to be approved by us. The point of departure for such an approval will not necessarily be the capacity which DUC says that it has. It must be an evaluation on the basis of, among other things, geological information and on the basis of the needs of the Danish

society for the area to be used sensibly. I believe that there will be an increase in the exploration, but it is too early to put this in figures.

A. P. Møller Exemption

Question: Another goal is an increase in the oil production?

Answer: In my opinion, this goal has been fulfilled seeing that the pact gives us quite clear time schedules for the development of oil or gas finds.

Question: Under the pact you have already granted an exemption from some of these rules in respect of six oil finds that have taken place. Is that not contrary to this policy?

Answer: Perhaps, but the rules also provide for the possibility of granting exemption, and this is based on the technical fact that oil fields are of very different sizes, and some of them, therefore, are more difficult to evaluate than others. The concrete evaluation which we have made of each of the six fields is based on technical facts.

Question: In that connection you would thus say that the government has not been doing business with A. P. Møller.

Answer: On the whole, I would think so.

Not All Oil to Denmark

Question: A third objective is to ensure supplies. Will the oil pipeline which is included in the pact have the effect that 100 percent of the oil found will be used by DUC in the Danish market. For the oil pipeline only ensures that the oil will be sent to Fredericia, Jutland. But after that it may freely be taken somewhere else?

Answer: There is a refinery at Fredericia, the purpose of the existence of which is to supply the Danish market. It is located there for purely economic reasons. The two closest refineries are on Zealand. So, on the basis of an objective, economic evaluation, I would think that the pipeline ensures the Danish society of supplies as well as is possible.

Question: To the extent of 100 percent of the oil?

Answer: It would be foolish of me to claim that Denmark would be ensured 100 percent of the oil, but legally we must also bear in mind that, on account of our EC membership, we cannot formulate the demand that all oil must be sold in the Danish market. However, by means of an oil pipeline, we can arrange things in such a way that, from practical, technical and economic points of view, it will be most advantageous to sell the oil in the Danish market. Incidentally, it is my impression that DUC has stated that it is willing to do so.

Gift and Price

Question: Comparing the pact itself with the proposed legislation, one finds it remarkable that A. P. Møller will be allowed to keep 10 percent of the best area. Is that not a gift on the part of the government?

Answer: It is, of course, on the basis of conditions which are fundamentally different from those previously existing. Roughly, there are two methods to encourage the companies to undertake more exploration. One is the return of the area, and the other is the preparation of concrete work programs which we have to approve. It is the last thing that has happened in the case of the area which A. P. Møller will be allowed to keep.

Question: If the bills had been passed, the state would have had those areas in the course of a few years. Would it not have been possible to get a better price for the area in question than the one A. P. Møller has paid? By price, I mean, for example, a larger work program, guarantees of use of Danish enterprises, state participation by 50-80 percent?

Answer: It limits, of course, our freedom of action in respect of the 7-9 blocs concerned. But our evaluation is that so much else will be left that we can get a new start in the North Sea. We have relinquished that freedom of action in order to get a peaceful and sensible solution to the problem--and a solution which I definitely find that we have reason to be satisfied with. One cannot get everything--and neither party has got everything under this pact.

New Companies in 1982

Question: We still do not know which area A. P. Møller will choose, but we can take it for granted that it will be a good area. Will this not have the further consequence that your possibilities of doing business with the oil companies will be impaired because their expectations of new oil finds will not be as great--and will it not result in less state participation, etc., than could otherwise have been obtained?

Answer: I do not believe that it will have that much influence. As you know, we must first get started on a phase where the companies make seismic tests--and it will be against the background of this knowledge that negotiations will be started on the actual concessions. It is my impression that the interest among the companies is unabated but that they would like to look at things before bidding. It will be the result of that "look" which will influence the conditions which we shall be able to demand.

Question: At A. P. Møller they say that they cannot imagine that too many companies will be interested in getting into the Danish area?

Answer: That is not our evaluation.

Question: When do you expect new companies to get started?

Answer: In 1982. It will be realistic to expect that we may start test drillings next year when 50 percent of the area has been returned.

Forty Percent Becomes 8 Percent

Question: The pact includes an option for the state to purchase 40 percent of the DUC oil. Is that not pure nonsense, considering that DUC may, at the same time, secure for itself the right of repurchase, the implication of which will be that the state next year will be allowed to keep 8 percent of the oil--and only in 1990 will reach the 40 percent?

Answer: Of course, the right of repurchase, which will be stepped down over 8 years, is not obligatory. It is something which DUC will be entitled to but will not be obliged to. It must also be viewed in the light of the rate at which it will be possible to develop the Danish Oil and Natural Gas Company, Inc., [DONG] into an actual oil company.

Question: But would it not, in actual fact, have been equally possible to arrange that the state would get a right of purchase of 8 percent in 1982 and 1983, of 24 percent in 1984 and 1985, etc.?

Answer: I do not think so, for, as mentioned earlier, it is a question of a right of repurchase, not a duty.

Question: Do you expect DUC not to avail itself of its right of repurchase? That does not seem very likely?

Answer: I have no particular expectations in that respect. It will be something they will have to decide for themselves.

Question: You also say that it is out of regard for the development of DONG as an oil company. Does that mean that a right of purchase of 50 percent--as proposed in the bill--would have been completely unrealistic?

Answer: No, but in that case DONG might, to a greater extent, have had to be prepared to become an entirely passive wholesaler. However, it is also important that there has been a clarification which can form the basis for the long-term planning of the company. I am quite satisfied with the solution--and, in that context, one should, moreover, realize that a bill is one thing and final legislation is something else.

Question: A. P. Moller's concession has been called the world's best concession--seen from the point of view of the shipping company. What would you call it after the pact? The world's best--seen from the point of view of the state?

Answer: I do not know. I find it difficult to sum up the pact in such few words. It is a question of a fundamental change of previously existing circumstances.

7262
CSO: 3106/103

DONG SAYS THAT NATURAL GAS PROJECT ADVANCES

Copenhagen BERLINGSKE TIDENDE in Danish 16 Mar 81 p 9

[Article by Peter Kjelstrup]

[Text] The first orders for a total budget of 4 billion kroner in terms of 1978 kroner have now been given by DONG [Danish Oil and Natural Gas Company, Inc.], which, at the same time, notes that the time schedule as well as the financing plan have been observed.

A report on DONG's share of the coming natural gas network shows that not only the time schedules but also the financing plan have been observed so far.

This information was given to BERLINGSKE TIDENDE by the information chief of DONG, Bent Schalimtek. The report shows the first series of orders worth millions of kroner for the major supply network, including the gas pipeline in the North Sea, and shows, among other things, that DONG so far has placed orders for construction work and materials for approximately 800 million kroner.

It is primarily a question of materials and construction contracts for the first stretch from Fraslev to Egtved, which is scheduled to be ready to receive the gas from Germany already at the end of 1982. More precisely, they expect today to be ready in October of next year.

The steel for the North Schleswig stretch will cost 45 million kroner. The surface treatment, which will be undertaken by Hoffmann Coating, will cost 140 million kroner for the entire land pipeline. Hoffmann Coating is a consortium, composed of H. Hoffmann and Sons and the French companies of SIF and Spie-Capag, which for that purpose has constructed a plant at Esbjerg.

The sea pipeline will be treated by Christiani & Nielsen in cooperation with a Dutch company, Bredero Preas, and the order is for a total of 182 million kroner.

The pipeline between Fraslev and Egtved will be laid by the contracting firm of Ove Arkil, Haderslev, in cooperation with the French firm of Entrepose, and the order is for 56 million kroner.

In addition, an order has been placed for the steel pipes for the sea pipeline for a total of 300 million kroner.

Finally, there are a number of smaller orders which have already been placed, such as orders for valves, anodes for the sea pipeline and equipment for cleaning of the sea pipeline. These orders have been placed with the Christensen Brothers, Haner, Paul Bergsoe, and Burmeister & Wain Energy, respectively.

Also the insurance order for a total of 60 million kroner has already been placed.

A number of contracts are in the process of being arranged. It is a question of the gas treatment plant at Nybro, the contract for which is expected to be awarded next summer, and the laying of the sea pipeline, the contract for which is expected to be arranged next fall.

The total budgets for DONG's share of the gas project amount to 4 billion kroner in terms of 78 kroner, of which at least one third will be Danish work.

Seven Hundred Meters of Natural Gas Pipeline to Be Laid Each Day

Only foreign companies with Danish partners have been allowed to participate in the work. The idea is for the Danes to learn from the foreigners so that they may subsequently be able to compete in the world market with their know-how.

Two hundred and twenty men, divided into various crews with digging equipment, equipment for laying the pipelines and other equipment needed, will, at a rate of 700 meters a day, be undertaking one of the biggest digging jobs ever seen through Denmark. The crews with their equipment, covering a stretch of 30 kilometers, will, in the course of the next 4 years, be laying the main natural gas pipelines from Froslev in North Schleswig and from Nybro on the west coast, right across the belts to Amager.

The work will be started already in the middle of next month, and the necessary approvals are so far ready for the first stretch of 15 kilometers.

Roughly at intervals of 1.5 kilometers, sites for pipes will be constructed, and the first pipes have been moved to their site from the new so-called Coating Yard at Esbjerg. It is Hoffmann & Sons who are in charge of the coating, or the surface treatment, as it might be called if it were not for the fact that an entirely new terminology of British origin has come along to Denmark after we really have got into the oil business.

The plant for this work has now been in operation for some time and is described as the most modern plant in the world. The first example of another purpose of the natural gas project, viz. to transfer to Denmark as much know-how in these unknown areas as is possible.

That means, first and foremost, that no companies will get orders in connection with the natural gas project unless they work together with a Danish firm to a reasonable extent. In this case, it is the coating experts from

France, the firms of SIF and Spie-Capag, who will be providing the expertise, in cooperation with Hoffmann & Sons. After the joint company has finished coating pipes in Denmark, the idea is for the Danish company to enter into competition on the world market. An ambitious plan which it will be possible to carry through for the reason, among others, that DONG insists on Danish participation. In order to be considered at all as tenderers, the big foreign companies must substantiate that they will work actively together with a Danish enterprise. According to Information Chief Bent Schalimtek, DONG, not all companies invited to submit tenders have been granted advance approval right away because they have not specified a sufficient amount of Danish participation. In addition, tenderers are selected on the basis of a close scrutiny of their capacity, also financially, seeing that any delay of the project will become very costly. And, of course, consideration is also given to the ability of the company to meet the very high requirements in respect of the quality of the work, not least on account of the high pressures involved in connection with the work on the pipes.

The gas comes out of the ground at a pressure that is equivalent to 140 atmospheres. The pressure is then reduced to 80 atmospheres already from the start, and it, therefore, is necessary that the companies participating have experience and know how to work with pipes which will stand up to these pressures.

At the plant at Esbjerg, 100-130 pipes are being treated per day. That means that, each day at present, 1.8 kilometers of pipeline pass through the plant at Esbjerg, where the pipes are provided with a plastic coating on the outside and an epoxy coating on the inside. Already at this point, most of the French people have been sent back. The first transfer of knowledge to Denmark on how to coat the big natural gas pipelines has thus taken place.

The project planning work itself is also primarily Danish. Two hundred consultants have so far been engaged by DONG, that is to say, on a consultant basis. Once the work on the pipelines has been completed, DONG does not want to be left with a large number of employees who are no longer needed. Six advisory engineering firms are connected with the project, one of them foreign. Nor in this area does Denmark have enough expertise yet.

The laying of the pipeline itself, which will be started next month, will take place in a total of eight stages. First, an area that is 10-25 meters wide will be cleared of vegetation. This area will provide working space on both sides of the trench, the digging of which will be the second stage. Unloading of the pipes and bending them to the shapes required by the layout of the pipeline through the landscape are the next two stages. The pipes will be welded together by expert welders who are already in training. Subsequently, the pipes will be put in place in the trenches, which will then be covered with soil, and the last stage will be the re-establishment of the area, whereupon only the markers showing the course of the pipeline will bear witness to the presence of a pipeline which will provide one fourth of Danish homes with heat.

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OFFSHORE ACTIVITY IN NORTH SEA TO EXPAND WITH TYRA FIELD

Copenhagen BERLINGSKE TIDENDE in Danish 2 Mar 81 p 9

[Article by Peter Kjelstrup]

[Text] Dan has now been accompanied by Gorm as the only supplier of energy from the North Sea. But, in a few years, the entire Tyra project will also be completed. Nearly one thousand subcontractors have shown their interest in the project.

In about 1 month, Denmark's biggest oil field will start producing oil. And, in the course of the year, the Danish oil production is expected to treble, and it may even become six times as big by the end of the next year. The Gorm field is performing well.

Even so, this gigantic project, involving the construction of a total of four platforms, one of which accommodates an entire industrial enterprise belonging to the billion-kroner class, is merely the beginning of enormous investments which, as of 1984, will ensure that Denmark will have more than one fourth of its energy needs covered from the oil deposits several kilometers below the North Sea. Using the new Danish oil terminology, Denmark has gone "offshore."

The gas project, which, as of 1984, will provide 8.5 billion cubic meters of natural gas annually from the North Sea, primarily from the Tyra field, will be the biggest private investment project ever in Denmark. So far, the project has been estimated at approximately 7 billion kroner, more than one third of which will be orders going to Denmark. That is at least the hope today within the A. P. Moller company, the Danish Drilling Company, which is in charge of the construction. Nearly 1,000 suppliers of everything, ranging from books to platforms and to bedside lamps, are included in the lists of suppliers which have been prepared beforehand. So far, only the principal contractors have gone through the screening process which will allow them to participate in the billion kroner game.

The principal contractors have been judged primarily on the basis of two conditions: Will they be able to meet the extremely high requirements in respect of the quality of the work, seeing that it is the North Sea that is involved, and will the enterprise be able to deliver in time.

Time and quality are the main requirements. After the enterprises have been approved, one may start looking at which company is the least expensive. However, the cost is not a primary concern, since any kind of delay will be enormously expensive.

"In the North Sea, the water is so cold that it will kill you in 1 hour," said one of the top chiefs of DUC's [Danish Subsoil Consortium] partner, the Shell Company. "But the costs may have killed you beforehand."

According to A. Henning Jorgensen, chief engineer of the Danish Drilling Company, the company strongly advocates that as much as possible be produced in Denmark. It says in so many words in the main contracts that this is the way it must be. One of the examples that it can be done is an order for steel supplies. The steel is to be used for the production of the pipes which, in turn, are to be welded together for a platform. The steel rolling mill was tested, and the drilling company concluded that the steel rolling mill was able to produce the necessary quality. A careful evaluation of the capacity had the effect that the German suppliers of the steel pipes were forced to buy 4,500 tons of Danish steel, 500 tons of steel a week for 9 weeks. That was the capacity and the time schedule they could manage before shipping the supplies in June. A fraction of the total steel supplies. But that was what Denmark could manage.

"If only we had had 2 more years to develop the field, the Danish share of the total supplies could have been much greater," they say at the Danish Drilling Company. The additional cost of the Danish steel, estimated within the business at 2 million kroner, will be paid for by DUC.

The major costs have now been incorporated in the planning stage, so that, on the whole, there is not much more to fetch. But the small 1,000 Danish companies still have time to participate in the subcontracting. Partly through the main suppliers and partly on the basis of the procedure of approval within the Danish Drilling Company. Some companies have already cleared this obstacle since the development of the Gorm field gave the Danish Drilling Company a good idea of the capabilities within the Danish trades and industries. Only 10 percent of all the contractors who have shown an interest in the Tyra project are newcomers.

In the area of labor, the situation is somewhat brighter for Danish participation. It is today estimated that 45 percent of the man-hours needed will go to Danish labor. A total of 2 million man-hours on land and about 1 million man-hours at sea. The smallest number in the manufacturing phase where the big platforms will be built. And the highest percentage of Danish labor participation in the construction phase in the fields. An example of this is that 600 men are at present working at high pressure in the Gorm field. And the gas project is considerably larger.

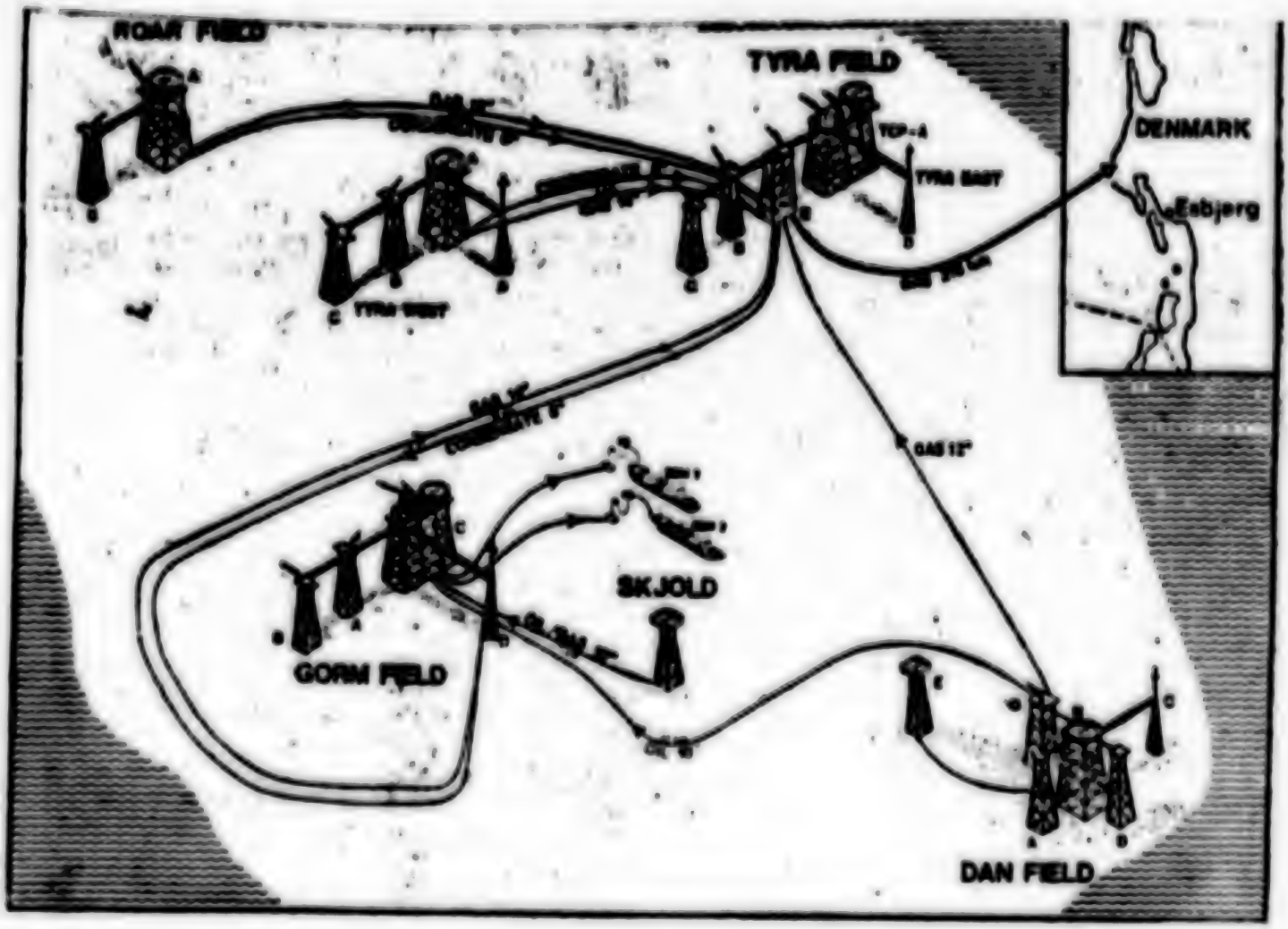
BERLINGSKE TIDENDE Goes Offshore

In connection with the world's biggest offshore fair in Houston, Texas, on 1-8 May, BERLINGSKE TIDENDE will give a small section of Danish enterprises

a new possibility of becoming acquainted with some of the world's leading people and companies within the oil industry. This will take place in a combined fair and conference arrangement which, among other things, will enable the individual company to get in touch with the very contacts it needs. During the conference itself, several of the international key figures in the rapidly growing offshore sector will be speaking.

During the arrangement, it will be possible to establish contacts through a special BERLINGSKE TIDENDE suite where contact people will be present each evening.

The package deal has been arranged in cooperation with Peter Thomsen Marketing, the Travel House, and SAS. Prior to the departure, the U.S. Embassy will invite the participants to an information meeting, and the consul-general in Houston will also be giving advice and guidance to the participants.



DUC's Activities in North Sea

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BRIEFS

ENERGY STUDY URGED--The research committee of the Folketing will now be informed of the research and preliminary studies of the possibilities of exploiting the energy from the big melt water lakes in Greenland. The Conservative member of the committee, Ole Bernt Henriksen, has asked both Minister for Greenland Affairs Tove Lindbo Larsen and Energy Minister Poul Nielson for a report. "The high-lying lakes in Greenland may form the basis for large-scale power production," says Ole Bernt Henriksen. "It will not be possible to transfer the power to Denmark directly, but it may be used for the production of oxygen, hydrogen, and ammonia as well as a number of other products. Therefore, it is natural to ask how far the research on these alternative energy sources has advanced." [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 6 Mar 81 p 6] 7262

CSO: 3106/103

PREMIER RALLIS SPEAKS ON ENERGY PROGRAM

Athens I VRADYNI in Greek 13 Apr 81 p 15

/Text/ In his speech at yesterday's corner-laying ceremony of the Sfikia-Asomatoi hydroelectric complex in Aliakmon (near Veroia), Premier Rallis conveyed to all Greeks a message of optimism. He said that in the past 5 months four large developmental projects had their foundations laid or were put in operation while six more were under construction or will be constructed soon. Rallis said also that all these projects are directly related to the sensitive energy sector and, referring to the expanded energy program of the government, added:

"On 29 March President Kon. Karamanlis inaugurated the 300-MW hydroelectric station at Pournari near Arta. On 24 November last year the third lignite-using 300-MW station at Karya (Ptolemais) and today (yesterday) we laid the foundation of the Sfikia and Asomatoi hydroelectric stations near Veroia. Their total capacity is 423 MW. All these stations produce electricity by using domestic energy sources: lignite and water. "We are justified, therefore," Rallis said, "to claim that indeed something great has been achieved in the construction and operation of units which aim at directly coping with the country's energy problem. These projects literally create the country's future."

The international conditions are ominous. But, as the premier said, Greece has taken care to get organized and to adjust its policy in such a way as to be able to cope successfully with the "challenge of the energy crisis," as it was called. "The projects whose foundations we lay today and those which went into operation a short while ago strengthen the conviction that we follow the right path.

Sfikia-Asomatoi Complex

"The European Investments Bank is granting, on the basis of the Second Financing Protocol between Greece and EEC, a loan for the construction of the Sfikia-Asomatoi hydroelectric projects totaling 35 million accounting units or 2,132 million drachmas toward the total cost of about 7 billion drachmas. This loan was granted at an extremely favorable interest rate.

"The two stations will go into operation about the end of 1984 and they will utilize the waters of Aliakmon, the largest all-Greek river in the direction of Thermaikos Bay. Besides these two stations, the Polyfyton hydroelectric station, the first one to utilize the Aliakmon waters, has been in operation since 1975,

while it is anticipated that in the future other hydroelectric stations will be built beyond Polyfytos and in the direction of the Aliakmon sources. With the construction of the Asomatoi hydroelectric station the river's waters will satisfy the irrigation needs of the Katerini and Thessaloniki valleys which have an area of 400,000 strommas."

The premier pointed out two particular highlights of the Sfikia-Asomatoi hydroelectric projects.

a. The first refers to the pioneering character of the whole complex. The Sfikia station will operate to a large extent with water provided by pump from the artificial lake of the Asomatoi station. The water will be pumped by night while electricity will be produced by day and be used at peak hours.

b. The second highlight concerns the fact that the studies concerning the complex and its supervision were made by Public Power Corporation (DEI) technicians. Rallis added that along the three dams at Sfikia, Asomatoi and Polyfytos a highway is being constructed which will connect Central and Western Makedonia. The importance of the road is tremendous for the economic and tourist exploitation of whole regions of the country.

Ambitious Program

"The Sfikia-Asomatoi hydroelectric projects are part of an overall government plan which aims at coping effectively with the energy problem as well as with regional development. Our overall targets are: full implementation of the truly ambitious DEI program to which the critics of the government and DEI have nothing to add. It suffices to underline two points to extol DEI's work.

"During the decade just begun nine new hydroelectric stations of about 2,000 MW total capacity will be constructed. In the area of exploiting the country's water potential we shall exhaust all power at our disposal. It is our aim to promote the construction of even small capacity hydroelectric stations.

"Also, for the next 10 years DEI has prepared an outstandingly impressive program for using lignite to best advantage. Today, the production of electric energy with lignite (as fuel) covers about 45 percent (of total production). In 1990, it will cover 78 percent. To achieve this goal it will be necessary to move six times more ore from the company's lignite mines. Presently 65 million cubic meters are being mined. It is estimated that by the end of the decade 360 million cubic meters of lignite ore will be mined.

"But let us talk about the projects now being constructed or about to be constructed or for which bids will be asked:

"a. A contractor has already been engaged and soon construction will start of the 150-MW Stratos station at Akheloos River near Agrinion.

"b. Construction will soon begin of the 210-MW Piges of Aoos hydroelectric station near Metsovon.

"c. In less than 2 months construction of two 600-MW total capacity units at the Amyndaios station will be assigned. The evaluation of the bids is nearing its end.

"d. By summer, commercial operation will start of the fourth 300-MW unit of the Kardia thermal-electric station.

"e. The construction of the four 1,200-MW total capacity units at Agios Dimitrios station continues. It is expected to install there a fifth unit in the future.

"f. In the very near future a 300-MW fourth unit will be installed at the Megalopolis hydroelectric station.

"g. Finally, before the first half of this year expires bids will be asked for two coal fueled units having total capacity of 700 MW.

Cooperation With Other Countries

"At this point special mention should be made about expanding our cooperation in the electricity sector with our neighbor countries:

"1. With Yugoslavia: Since the end of 1979, the capability of exchanging electrical loads between the two countries has increased sixfold through the interconnection of our 400-KW networks.

"2. Western Countries: Through Yugoslavia, Greece is now interconnected electrically with the systems of all West European countries as far as Spain and Portugal and Denmark in the north.

"3. Bulgaria: The work of interconnecting the electrical networks is proceeding normally and will be completed in two phases. In the first phase the 220-KW interconnection is expected to operate before the end of 1981. In the second phase the Greek and Bulgarian 400-KW networks will be interconnected by 1985 when this interconnection will be extended as far as Salonica.

"4. Eastern Countries: Upon completion of the Greek-Bulgarian network Greece will be interconnected with the whole system of the East European countries which includes the biggest section of the European Soviet Union.

"On the basis of an existing agreement Greece can import electricity from the Soviet Union in 1981 through Yugoslavia. The prospects for closer cooperation will be increased greatly when our networks are connected with the Bulgarian, first at the 220-KW grid and later at the 400-KW one.

"5. Albania: As is known, the networks of the two countries are interconnected and the agreement for purchasing electrical energy is already being implemented. It is hoped that this interconnection will be expanded in the future.

"6. Turkey: Relevant negotiations are taking place between the two countries.

Other Sources

"DEI has also included in its program the exploitation of renewable sources of energy, that is, of geothermal, wind and solar energies. I shall limit myself to mentioning only the following:

"a. EEC has already expressed interest in geothermy in Greece by granting about 70 million drachmas. Pending are 240 million drachmas more for DEI's program.

"b. In the area of wind energy work has begun for the installation of the first wind complex in Kythnos with five wind generators of 100 KW in total capacity. This project was financed by the German government on the basis of the Greek-German cooperation agreement.

"c. In the solar energy sector, it is expected that two stations using photovoltaic conversion for the production of electricity will be installed in Greece. This project is included in the EEC program which will also finance the stations. All negotiations were completed last year before Greece joined EEC.

"The total cost of the projects will reach 200 million drachmas of which 30 million only will be paid by Greece. Completion of these projects will be achieved through Greek-French and Greek-German cooperation and will include all latest developments of international interest."

It is evident from what Premier Rallis has said that since 1974 immense efforts have been exerted systematically and prudently for coping successfully today with an unprecedented world energy crisis.

"The programs we prepared and implemented systematically," Rallis said, "have created the preconditions for assuring progress in agriculture, industry and handicrafts as well as the prerequisites for assuring a better standard of living and an improved quality of life in our country. We were thus able to supply electricity to a great number of villages which otherwise would have been isolated.

"We shall continue," the premier pointed out, "to implement as a government--at the same intensive rate--our programs which, it should be underlined, are indeed gigantic and which no one would have dared conceive in the past. Let us all unite our efforts. This country belongs to all and all of us share in its progress. The progress achieved since 1974 is indeed national and all of us should think of it as such."

Despite the bad weather--it was raining constantly--more than 5,000 beet growers and other farmers welcomed Premier Rallis at Platy where he arrived following the corner-laying ceremony of the Sfikia hydroelectric station. He then visited the sugar factory where in a ceremony he awarded 292 beet growers from Makedonia, Thraki and Thessalia prizes totaling 5 million drachmas given by the Greek Sugar Industry [EVZ] which was established in 1960 and which, as Rallis pointed out in a speech he delivered, has fully justified the vision of the then Premier Karamanlis who despite all reaction and criticism, proceeded boldly and undistracted with the implementation of the program for establishing the first three sugar factories in Larisa, Platy and Serrai.

Following the success of these three factories, EVZ established two more factories which together with three previous ones produce 25,000 tons of sugar each 24-hour period thus totally covering the country's sugar needs.

Today, EVZ's total capital exceeds 10 billion drachmas, a fact which puts it among the top five industries of the country--it is the largest agricultural industry in Greece.

The premier stressed especially the full revival the beet cultivation shows this year and pointed out that this is due to both the policy the government applies as concerns the price of the sugar beets and the will of the farmers to maintain th' lucrative cultivation. He said indicatively that while last year only 260,000 stremmas were seeded with sugar beets, his year the seeding has exceeded 450,000 stremmas. "I am informing," he said, "the beet growers who number about 31,000 that with the prices to be paid this year they will collect a total gross income of 8 billion drachmas which means that each family will receive an average of 260,000 drachmas (about 5,200 dollars) if we also take into consideration the more than 2 billion drachmas in salaries and daily wages of the permanent and seasonal personnel of industry, transportation, etc."

Finally, Rallis praised the incomparable efficiency of the Greek beet growers and the agricultural development of Imathia.

7520
CSO 4908/140

ECONOMIC ADVISER SAYS WAGE PACT FIRST STEP FOR ECONOMY

Copenhagen BERLINGSKE TIDENDE in Danish 27 Mar 81 p 10

[Article by Frank Dahlgaard]

[Text] We have managed to improve our competitive ability toward foreign countries, but further marked improvements are needed before the Danish economy can be restored.

This was established by the chairman of the Economic Council, Economic Adviser, Professor Hans Zeuthen, who describes the outcome of the collective bargaining as "tolerable."

"The wage development in the coming collective contract period will hardly by itself contribute to a further improvement of the Danish competitiveness, but, everything considered, I suppose that one must realistically regard the outcome of the collective bargaining as relatively favorable."

Zeuthen describes it as a positive sign that the parties in the labor market this time succeeded themselves to reach a mutual agreement on wage developments. "It is obvious that the many political interventions in the course of the past years have created tensions in the labor market. The contracts now concluded by the parties on a voluntary basis have contributed to an abatement of these tensions, and that is, of course, a good thing."

Exorbitant Price

The economic adviser says that we have paid an exorbitant price for the reduction of the balance of payments deficit: "The improvement is not, to any major extent, due to the improvement in our competitive ability, for that only gives any really positive results on a somewhat longer view, and when the international business conditions are not quite as unfavorable as at present. It is quite simply the lower economic activity in the

society with the declining rate of production and the sharply increasing unemployment rate which is the main reason for the improved balance of payments. The fact is that it has been going to the dogs, but it has been difficult to avert the trend on account of the unfavorable business conditions abroad. To this comes that we started the crisis of the seventies with a large foreign exchange deficit, and our point of departure was thus weak."

Hans Zeuthen says that the improved balance of payments may also be accounted for by the fact that we have in this country had a sharper drop in production than they have had abroad.

Still, there is hope ahead. For one thing, the improvement in the competitive power which has now taken place will have a positive effect in the coming years, and, for the other, it is to be expected that the drop in production and the zero growth in the West will again be replaced by a slow, positive growth. Probably not many people believe that we shall have a strong economic growth as in the years prior to the first oil crisis, the economic adviser says.

7262
CSO: 3106/103

FUTURE OF NATION'S MARITIME FLEET EXPLORED

Paris DEFENSE in French Feb 81 pp 41-44

[Article based on a report of the study group on problems of the sea in the Institute for High National Defense Studies Auditors Association]

[Text] Is maintenance of a merchant fleet under the French flag indispensable?

That is the first point to be examined in taking up in succession its economic aspects and its effects on national independence.

Sea transportation produces or saves foreign exchange, but, at present, our fleet includes only a little more than 50 percent of the nation's traffic (this rate of coverage varies according to the products: high for oil products as a result of favorable provisions of law, it is almost nil for wood). Thus, the total amount paid by French economy to foreign flag shipping represented 2 billion francs in 1978, or 10 percent of the overall deficit in the balance of payments for that same year.

French ships favor national ports.

There is very keen competition between the various European ports and our shippers play an essential part in succeeding in having the large maritime groups not overlook French ports to the benefit of Rotterdam or Antwerp.

This competition also finds expression in serving countries without outlet to the sea (Switzerland, central European countries), and stops at French ports in great demand by our shippers encourage international transit toward those countries.

The flag defends the nation's economy in freight conferences.

Very often, action by national shippers makes it possible to maintain favorable freight rates for commodities vital to the nation's economy, like Japan and Algeria, for example for their export products.

Ocean transportation under the nation's flag is one of the supports of our exports. In a report published in June 1978, the Maritime Academy noted the following already: "Foreign trade can develop only if French shippers have strong enough positions so that our flag will be respected."

The merchant marine produces jobs.

Our merchant fleet employs around 30,000 persons coming for the most part from vital regions with regard to employment and where other activities are experiencing serious difficulties that a reduction in the personnel of the merchant marine would only increase.

In addition, ocean transportation affects shipbuilding and ship repair, port activities, maritime insurance, transit activities, all industries and activities that create jobs themselves in the same vital regions and, moreover, that can be exporters.

Consequences on National Independence

Our country has to import a very considerable part of the fuels and raw materials that it needs. Now, these imports are made mostly by sea. The existence of a national shipping business contributes, therefore, to security of our supplies in peacetime and all the more so in a period of political tension. Insufficiency or a total lack of this shipping business would jeopardize our security by subordinating it to the goodwill of foreign shippers who might discontinue their services without notice or accompany them with unacceptable financial conditions, thus imperiling not only our economic situation but also our country's defense capabilities.

From the point of view of the evolution of the law of sea pursued under the sponsorship of the United Nations in recent years, France, with its overseas departments and territories, for the most part insular in nature, has become the third-ranking maritime country in the world. It can develop this situation only to the extent to which it has a strong, dynamic merchant marine and that without even mentioning the need for maintaining national ocean connections between the metropolis and those departments or territories.

Finally, how is it possible to conceive of certain military actions involving, in a limited conflict, the use of an air-sea intervention force without the support of a merchant marine under the national flag?

Therefore, the existence of that kind of fleet is indeed a necessity for our country.

And, nevertheless, our shipping business has been undergoing a crisis for several years now, owing especially to an extremely severe international competition coming primarily from foreign shippers employing low-wage personnel or flags of convenience used by certain industrialized countries to avoid their own economic and social restrictions, a custom that France has always refused to put in practice.

Moreover, the increase in the price of fuels -- which affects all shippers in the world equally -- came to be added to these difficulties not to mention the point that the effects of the fact that decolonization deprived French shippers of the flag monopoly on certain lines are still felt, while the development of air transportation has practically reduced passenger traffic to cruise ships, cross-Channel traffic or passage to Corsica.

Present Situation of Ocean Shipping in the World and in France

The World Crisis and the New Balance

Immediately after the Yom Kippur War, the world merchant fleet had, roughly, an excess of about 100 million deadweight tons (dwt). Of this total, in 1975, 50 million were decommissioned and 50 million underemployed. The situation developed as follows: as of 1 August 1979, the tonnage of the world fleet still decommissioned was only 9 million gross register tons (grt) (or 15 million dwt). This progress is the result of recommissioning ships or of scrapping them (700,000 tons were turned over to scrapping every month, because ships were involved for which the cost of the modifications needed to resume freight runs would have been too high).

A new balance seems now to have been reached. Orders have been picking up since April 1979 and amounted to 53 million tons in July 1979 (8.8 in the second quarter of 1979 compared with 2.2 million tons in the third quarter of 1978). A very definite recovery of the amount of cargo is also being observed. The indices went from 140, in September 1978, to 195, in July 1979 for dry-cargo ships or from 35.9 to 71 for large tankers.

Therefore, the climate is favorable for a recovery in some countries -- Hong Kong, Greece, England -- but, as a general rule, it is not favorable either in the Western countries or in France.

The French Situation

The fact that the recovery had not yet made itself felt in France in 1980 is explained in part by the social cost level in our country. But it is also explained, because the French fleet, which is the ninth in the world (11,925,000 grt as 1 July 1980), hardly underwent any decommissionings. In fact, our shippers usually make long-term contracts. This enables them to ensure continuity in the use of their ships and, therefore, their survival.

The French fleet had, as of 1 July 1980, 427 ships totaling 20.9 million dwt distributed among:

A modern oil-tanker fleet, the fifth in the world (15 million dwt as of 1 July 1980), well protected by the 1928 law and which ensures its own balance.

A dry bulk cargo fleet (coal, ore, fertilizers) especially sensitive to competition by flags of convenience. It provides transportation for only 25 to 30 percent of the nation's requirements for these items.

Regular lines whose situation depends on the geographic sectors. Rather favorable on the west coast of Africa, difficult in the highly competitive sectors, like the Near or Far East, with all the degrees of difference represented by application of bilateralism (UNCTAD Convention) applicable de facto if not de jure, with the country having the lowest cost prices imposing the price of transportation (and it never is France).

This situation is certainly not especially brilliant, but the following must be remembered as [the late] M. Le Theule, then minister of Transportation said, at the time of the Autumn sessions of the Maritime Academy in October 1979:

"Even at a lower rate than the one experienced in the past, the world economy will continue to develop to meet the needs of a population that might be on the order of 6 billion in the year 2000.... In his recent publication, did not Prof Leontieff predict that, in the year 2000, ocean trade will have quadrupled in tonnage in comparison with what it was in 1970? Trade of various commodities will be multiplied by more than 4.5 and four-fifths of the corresponding increase in traffic will probably be transported by container ships. This supplementary traffic will of itself represent three times the total volume of various commodities transported by sea in 1970."

It is impossible to see why France would shrink from the effort needed for placing itself in a sector with that kind of expansion.

Certain trends would, moreover, be of a nature to bring about a favorable evolution of our ocean shipping. In fact, if we examine the weight of the different expenditure categories participating in the total cost of operation of ships and in accordance with a relatively recent (end of 1977) study, the balance of annual expenditures for two examples of different ships appears as follows:

280,000 dwt Tanker (purchase price 273 million francs) [all figures in million francs]		120,000 dwt Collier (purchase price 145 million francs) [all figures in million francs]	
Personnel	7.5	Personnel, maintenance, insurance (including about 40 percent for personnel)	10.7
Maintenance and repair	6.8		
Insurance	5.2		
(or a total of 19.5 million francs)			
General costs	0.7	General costs	0.4
Finance costs	35.5	Amortization + finance costs	19.0
(or a total of 36.2 million francs)		(or a total of 19.04 [sic] million francs)	
Fuel	21.0	Bunker (fuel)	8.7
Port costs	3.1	Port costs	1.8
TOTAL	79.8	TOTAL	40.6

Note: The finance costs are barely less than half the total.

Now, every study published on this subject has shown that the difficulties encountered by French shipping business are primarily the indebtedness of the shipping companies and the cost of operation.

According to the Maritime Academy report mentioned above, the indebtedness of the shipping companies results from "investments made within the framework of the growth plan for modernizing and developing the fleet. The crisis that occurred meanwhile took away their means for meeting loan maturities." Aside from a definite recent recovery in freight rates and because most of the French fleet is recent and has gotten rid of the less profitable units, is it not possible to believe, in a medium-term approach, that the situation may improve?

The statements made by the minister of Transportation to the Higher Council of the Merchant Marine in December 1978 announced the setting up of a supplementary aid program, in 1979-1980, to facilitate the financing of ships bought since 1975. In addition, the public authorities recently decided to establish a system of aid to financing for which a first credit of 150 million francs was provided in the 1980 budget.

The cost of operation, aside from the finance costs, includes primarily expenditures for fuel and wages.

Fuel expenditures represent, in both examples given above, between 20 and 33 percent of the total cost. Because crude oil has increased considerably since 1977 (it almost doubled in 1979 alone), the weight of this expenditure category is undoubtedly definitely greater today. In absolute value, this consumption represented, moreover, in 1978, 5.3 million tons oil equivalent (toe), or close to 3 percent of the nation's consumption (184.5 million toe), twice the consumption of airlines and twice the amount consumed by rail transportation.

Technical studies have been undertaken by our ocean shipping business to seek energy savings both on existing ships and on future ships. These studies aim basically at a new concept of hull shapes and at choice of the optimum operating speed. An idea contest was launched recently by the minister of Transportation for a determination of an economical and well-performing ship, but it may be wondered whether the financial outlay devoted to this research work is sufficient, because the shipping business cannot obtain to its benefit sizable credits enabling it to specify truly new ship types. The financial situation of the shipbuilding yards also undoubtedly does not enable them to make a sizable outlay. Therefore, it will probably be necessary to find a supplement that might come, among others, from the agency for energy saving to the extent to which the pertinent ministry might not be able to provide sufficient aid. After World War II, the shipbuilding profession established the Shipbuilding Research Institute, but this interprofessional organization does not seem to have sizable funds, while it might be the research instrument suitable for the field under consideration.

Finally, it would certainly be interesting to resume the studies on nuclear propulsion for merchant ships that were started after the Yom Kippur War and then rapidly abandoned. The feasibility of this kind of propulsion device has been extensively demonstrated by military production and also by several civilian achievements ("Savannah," in the United States, "Otto Hahn," in the FRG, the icebreaker "Lenin," in the Soviet Union).

Safety in operation and safety with regard to the environment do not raise any problems with an aspect different from nuclear electric powerplants. In a general action of information on the effect of nuclear industrial applications on the environment, therefore, an aspect on applications to ship propulsion should be included.

Together with this, an economic study should attempt to determine, in various assumptions of evolution of fossil fuels and ship categories, the conditions under which ship nuclear propulsion might be competitive.

In exploring a very broad technical sector, there should, then, be no hesitation to consider new types of ships, particularly suited for nuclear propulsion, especially from the point of view of displacement and of general economy of design and operation.

Personnel expenditures are certainly regarded as one of the leading causes of the difficulties of our shippers, as a result both of the pay and the social contributions associated with them and of the operating conditions based on the de jure or de facto monopoly of French seamen, which is, according to M. L. Theule, "a historic fact that the public authorities have no intention of changing, beyond the use of existing and already employed legal possibilities."

The weight of wage costs is, nevertheless, not very great in the two examples given above, around 10 percent of the total cost. The handicap of the shipping business actually exists in this field only in comparison with flags of convenience and ships belonging to developing countries.

In fact, it can be observed, according to the above-mentioned report of the Maritime Academy, that there is no significant difference in this respect between the various European countries, excluding Great Britain. The French pay scale is, moreover, the lowest, but the cost of wages is considerably burdened by social contributions, which, in the case of Great Britain, are assumed by the state.

If we refrain both from using flags of convenience and recourse to foreign, low-wage personnel, the only possible gain lies in a search for reduction of the number of personnel carried on board. In fact, according to a report of the Central Committee of Shippers of France, "for a number of ships and with regard to experiments in progress or planned abroad, French personnel are superior in varying proportions but possibly by as much as a fourth." Therefore, this course is interesting, but it can be followed only at the expense of two conditions:

That safety of operation will not be affected.

That it will be followed in full agreement with the personnel within organizations in process of establishment in which both sides are equally represented.

The stand of the labor unions is undoubtedly an unknown factor, but some indications make it possible to think that beyond some very well-established positions of principle, a consensus might, perhaps, lead to positive results.

Thus, in spite of real difficulties, in view of severe international competition in which freight rates are basically speculative and unrelated to the real costs of operation, our ocean shipping business has, however, some future possibilities, because:

Its undeniable importance in the field of national independence and in the various aspects of the economy justifies state assistance, which, moreover, is granted to most of its foreign competitors. This assistance is applicable primarily more to investments than to operation, as is logical.

A selective policy, both in the transportation sectors to be retained and in the importance to assign to them, must make it possible to specify the reasonable volumes to be maintained in any case.

A firmly determined policy in the technical area should make it possible to apply the very well-developed technological level that our country has now reached in ship design.

10,042
CSO: 3100/688

CISL MEMBERSHIP FIGURES FOR 1980 ANALYZED

Increased Membership

Rome CONQUISTE DEL LAVORO in Italian 9 Feb 81 p 6

[Article by Nino Pagani: "CISL's 1980 Membership Up 151,490: Why the CISL Has Grown"]

[Text] In addition to 51,000 pensioners, 100,000 new members among active workers. The CISL [Italian Confederation of Labor Unions] now has 3,057,720 members.

Considering that union membership in Italy is completely free and voluntary, the results of the membership drive give a favorable workers' consensus to the value of the union's proposed cultural and political expression and approval of its action in practice.

It would be a mistake to underestimate this fact; the membership drive is not an isolated fact, a technical activity limited to finding financial resources for the union, though this is a necessary and praiseworthy activity.

Rather, and it should be reemphasized, this is the acid test of our political capacity to keep pace with new, emerging demands, and our capacity to act as a unifying force in society, a force that counts for something, one that can make a decisive difference for change and progress.

Only a month ago we agreed with those in the CGIL [Italian General Confederation of Labor] who stirred things up by bringing out the politicization of the union membership. The dissent we expressed on the merits of this question did not concern so much the proposal for a continual poll of general opinion as it did the obfuscatory analysis of the negative results of the CGIL's membership drive, which is an essential part of the problem.

Indeed, when union membership and participation drop off, may it not be due to the workers' rejecting a kind of union that is still afflicted with ideological and partisan handicaps?

Isn't union autonomy a pressing issue, now more than ever? What is holding back union membership and unification is the fact that people aren't talking any more about "fighting the currents" and, especially, the problem of union leadership groups that are "subdivided" by ideological and partisan tendencies or "currents."

The increase and decrease in union membership was and is an inescapable, important consideration in evaluating the union's inadequacy in terms of participation and internal democracy.

It is proper to reflect and discuss, considering, naturally, the facts of the union's current context and the political situation, to be merciless in seeking out the causes of our failures without diverting attention from other problems, as though the problem of autonomy were to be considered solved. We ought to welcome, then, all the polls and critical analyses of the mistakes to be rectified and the things that need to be changed. And this without conveniently confusing matters.

Italy is not Poland at the beginning of the Solidarity union, when suddenly and definitely an official union of 10 million members, which had hitherto received no criticism, liquidated itself in the open air of Gdansk.

In that case it would have been fitting for the former union officials to ask the elections board to poll the membership and have them renew their membership. But, as we know, it was a different story, and the expression of the members' opinion (pitiless indeed) was done from outside by Walesa and company.

In Italy, on the other hand, we have a union structure that, despite all its faults, shows participation and involvement that are among the highest in the industrialized countries. It is not true that the union does not work. It is in continual contact with its grass roots. It is an especially hard and robust kind of internal relationship, and people are always talking to each other, but never as antagonists.

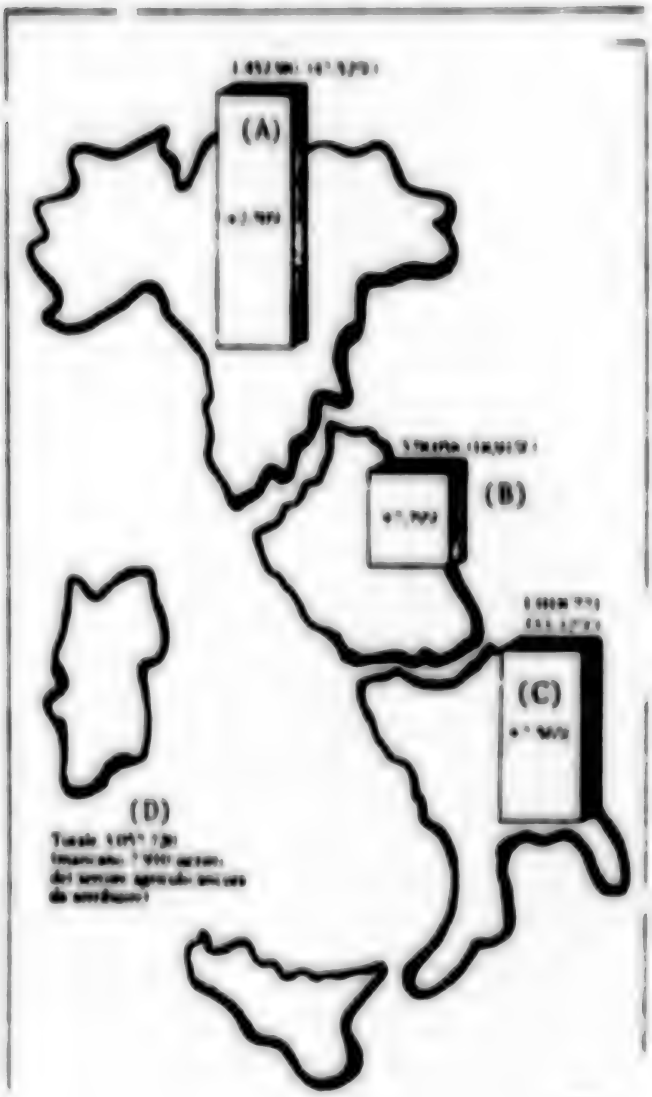
The political nature of our problems is due, rather, to our very growth and our increasing weight and influence. The question for us now is essentially How do we manage the social and political area that we have occupied? How do we build in this space the elements and structures that will shape the overall growth of society? And now we are talking about controlling the formation of capital, the leadership of the institutions of which we are a part, the new way of confronting government at the national and local level in the area of planning. We are talking about rethinking the whole system of industrial relations and, therefore, the management of business and contracts in general, which deal with the worker not as an individual but as a "class" and as a citizen interested in future economic development and in improving health care, the environment and social security.

These are the kinds of issues at stake. And we are doing neither the CISL nor the spirit of truth any injustice when we say we must work on these issues without "priests" and build an autonomous and unified proposal that has enough energy and push to win out. We have seen this in the twisted history of the Solidarity Fund, which will lead, despite all, to a growth in overall union autonomy.

In this light, we can continue autonomously to improve our consensus and go forth, solving contradictions not in sterile partisan conflicts where we try to rob others of members, whether unions or political parties. We call for a specific autonomous analysis that we would develop together in the workplace and in our union structures.

We want the growth that the CISL has been showing to be linked to its new organizing capacity and a renewed membership drive. But this in turn depends especially on its image and the value system proposed for its internal workings and on the freedom and autonomy of debate in its leadership groups. Finally, we will grow to the extent that we succeed in being an innovating and identifiable reference point in the social and political panorama of today's Italy.

Iscritti per aree geografiche



Membership by Geographical Area

(A) 1,452,981 (47.52 percent)
up 2.70 percent

(B) 578,058 (18.91 percent)
up 7.79 percent

(C) 1,018,771 (33.32 percent)
up 7.56 percent

(D) Total: 3,057,720
(Some 7,910 members in the agricultural sector are still to be assigned.)

Membership by sectors and geographical areas

Sectors North Center South

industry

agriculture

public administration

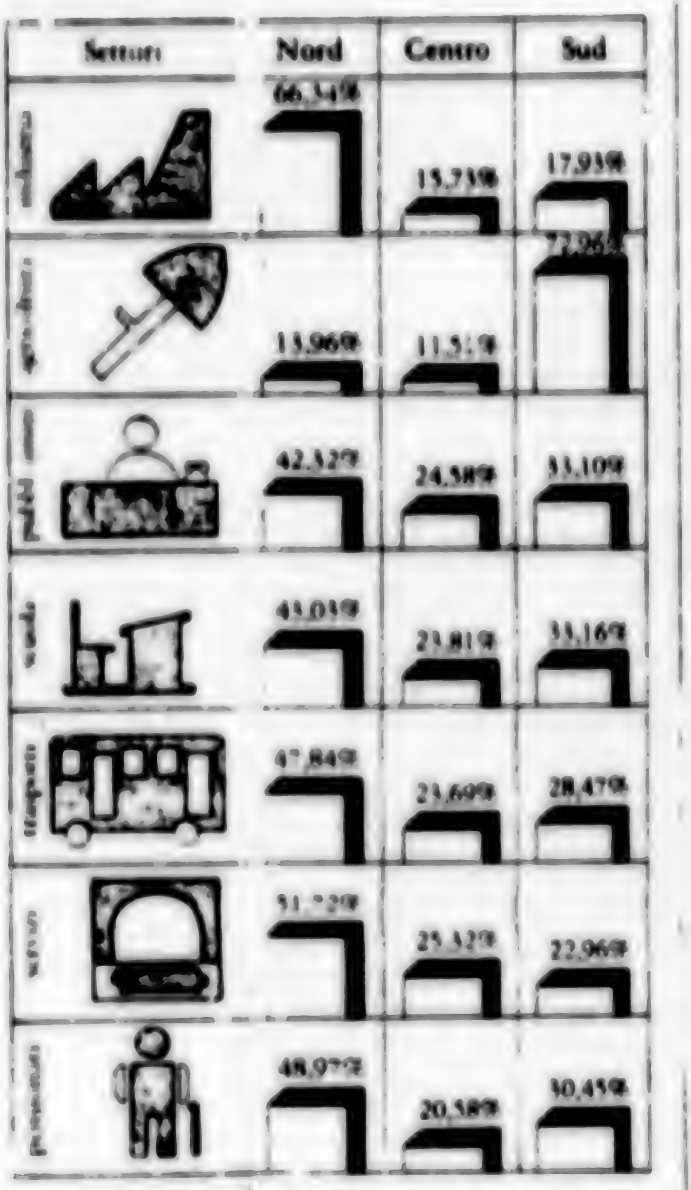
education

transportation

services

pensioners

seramento per settori ed aree geografiche



Changes in Organization

Rome CONQUISTE DEL LAVORO in Italian 9 Feb 81 pp 11-12

[Article by Antonio Romanelli: "The Organization's New Direction"]

[Text] At the end of the membership drive, the CISL's 1980 membership comes to exactly 3,057,720.

An initial analysis of the overall figures shows that there is an increase of 151,190 over 1979, for a percentage increase of 5.21. This is a substantial quantitative increase when you consider the union movement's difficulties in 1980.

A closer analysis of the data also shows that this is a growth in quality: 99,842 membership units among active workers and 51,648 among pensioners.

From the data in table 1 it appears that growth took place in all regions, though at different percentage rates. [Table 1 on next page]

From the data in table 3 it appears that growth took place in all categories, except for FISBA (and a drop of a very few units for FLAEI and FIVAG) [Table 3 on third page following; abbreviations are expanded in an appendix to the table].

We take some satisfaction is supplying this data, because it means that the increase is not a matter of pure chance but, in a democratic, competitive society like ours, goes along with the appropriate political policy of the CISL, which denies that the workers are turning away from the union, as public opinion often insinuates.

An analysis of the data by sectors and categories yields the following:

(1) growth in the industrial sector was limited to 1.04 percent, but all sectors had trouble, especially in the North, because of corporative restructuring, the placement of thousands of workers, and big business's attempts to effect massive layoffs. The sector has over a million members and accounts for 39.13 percent of organized active workers and 33.02 percent of the CISL's membership. By geographical areas there is a drop of 0.01 percent in the North (down 923 members) with a drop in Piedmont and Liguria and an increase in Lombardy, Veneto and Emilia Romagna; an increase in the Center of 3.43 percent (up 5,272) with a drop in Umbria and increases in Marche, Latium, Abruzzi and Molise; an increase in the South of 3.51 percent (up 6,139) with increases in all regions.

(2) The consistent organizing growth of Federcoltivatori (up 25,630) makes up for FISBA's loss of members (down 15,613).

Placement of Pensioners

Legislative changes applying to agricultural workers (elimination of old-age pensioners on communal rolls under an extension by the DS
could only reduce membership in that category and consequently increase it in the Pensioners' Federation. The decrease was limited to 5.76 percent, mainly by new workers signing up in previously unorganized areas. Also, we cannot overlook a trend toward fewer workers in the sector as agriculture is altered by more modern labor systems and by mechanization.

The membership increase in Federcoltivatori (up 33.65 percent) is attributed to more organizing activity in the category and to its initiatives in forming producers' associations.

(1)
Table 1: 1980 Membership, Regional Unions

(2) [regions]

(3) Northern Sector

(4) Central Sector

(5) Southern Sector

Tab. 1 - Tesseramento 1980: Unioni sindacali regionali (1)

(2)		1979	1980	Differenza	%
Piemonte		182 744	183 801	1 057	1,67
Val d'Aosta		7 248	7 310	62	0,85
Liguria		91 188	93 182	1 994	1,90
Lombardia		946 991	962 967	15 976	2,92
Friuli Venezia Giulia		80 516	85 667	5 151	5,01
Trentino Alto Adige		41 454	42 715	1 261	5,88
Veneto		801 720	809 802	7 082	2,54
Emilia Romagna		161 614	166 935	5 321	4,29
Settore Nord	(3)	1 414 685	1 452 981	38 296	2,70
Toscana		180 997	186 994	5 996	4,27
Marche		82 673	87 433	4 736	5,77
Umbria		46 021	47 805	1 984	5,80
Lazio		200 469	225 150	24 681	12,31
Abruzzo		52 118	56 511	4 402	8,14
Molise		14 572	14 929	357	2,83
Settore Centro	(4)	536 262	578 058	41 796	7,79
Campania		238 010	255 027	17 017	7,00
Puglia		229 152	246 704	17 552	7,65
Lucania		17 980	19 424	2 444	7,07
Calabria		113 666	131 166	17 500	15,39
Sicilia		267 015	279 766	12 751	4,77
Sardegna		80 291	90 785	10 494	9,20
Settore Sud	(5)	947 121	1 018 771	71 650	7,56
Totale		2 908 070	3 059 810	-	-
Sospesi Fisba (6)		8 160	7 910	-	-
Totale generale		2 916 230	3 067 720	151 490	5,21

(6)
(1) Entro pochi giorni ce ben si calcolato [illegible] saranno attribuiti alle [illegible] già iscritti Fisba [illegible] non ancora riportati a livello territoriale in modo che possano partecipare anche ai congressi senza creare problemi immediati o futuri.

(6) The 7,910 FISBA members listed at the bottom of the INPS [National Social Security Institute] list and not yet placed on the territorial list will be assigned to the USP [Publicity and Marketing Company] so they can participate in congresses without creating immediate or future problems.

Table 2:
1980 Membership,
Sectors and geographical areas

Tab. 2 - Tesseramento 1980: settori e aree geografiche

					Composizione
Industria	Nord	669.841	- 924	- 0,14%	66,4%
	Centro	158.823	+ 5.272	+ 3,44%	15,7%
	Sud	180.973	+ 6.139	+ 3,51%	17,9%
	Totale	1.089.637	+10.488	+ 1,00%	100,0%
Agricoltura	Nord	70.048	- 519	- 0,74%	13,9%
	Centro	57.721	+ 4.145	+ 7,74%	11,5%
	Sud	366.180	+ 6.641	+ 1,84%	72,9%
	da attrib.	7.910	- 250	- 3,07%	1,5%
	Totale	501.849	+10.017	+ 2,04%	100,0%
Pubb. amm.ne *	Nord	225.538	+ 8.589	+ 3,95%	42,3%
	Centro	130.941	+ 8.323	+ 6,78%	24,5%
	Sud	176.337	+22.079	+14,31%	33,1%
	Totale	532.816	+38.991	+ 7,89%	100,0%
Scuola	Nord	85.628	+ 4.785	+ 5,91%	43,0%
	Centro	47.370	+ 2.255	+ 4,99%	23,8%
	Sud	65.993	+ 7.154	+12,15%	33,2%
	Totale	198.991	+14.194	+ 7,68%	100,0%
Trasporti	Nord	76.985	+ 2.997	+ 4,05%	47,8%
	Centro	38.121	+ 2.686	+ 7,58%	23,6%
	Sud	45.798	+ 1.767	+ 4,01%	28,4%
	Totale	160.904	+ 7.450	+ 4,85%	100,0%
Servizi	Nord	105.148	+ 3.732	+ 3,67%	51,7%
	Centro	51.454	+ 7.077	+15,94%	25,3%
	Sud	46.677	+ 7.005	+17,65%	22,9%
	Totale	203.279	+17.814	+ 9,60%	100,0%
Pensionati	Nord	219.302	+19.608	+ 9,82%	48,9%
	Centro	92.114	+11.500	+14,26%	20,5%
	Sud	136.331	+20.540	+17,73%	30,4%
	Totale	447.648	+51.648	+13,04%	100,0%

* *Sono compresi anche gli iscritti alla Ricerca in quanto non attribuibili per area nel 1979*

* Also included are members in research areas not assignable by geographical areas in 1979.

Tab. 3 - Tesseramento 1980: federazioni e sindacati nazionali di prima affiliazione

Table 3: 1980 Membership: primary affiliated federations and national unions

Settore industria				**Industrial sector**
Fulgor	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Federbottai	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Filca	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Flam	[illegible]	[illegible]	- [illegible]	- [illegible]
Federenergia	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Fim	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Federlibro	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Filtea	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Totale settore	[illegible]	[illegible]	+ [illegible]	+ [illegible]	**Total**
Settore agricoltura				**Agricultural sector**
Fisba	[illegible]	[illegible]	- [illegible]	- [illegible]
Federalimentari	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Totale settore	[illegible]	[illegible]	+ [illegible]	+ [illegible]	**Total**
Settore pubblica amministr.				**Public administration sector**
Fedral	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Fiac	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Federpubblici	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Fids	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Snlp	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Silsalp	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Silm	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Monopoli di stato	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Totale settore	[illegible]	[illegible]	+ [illegible]	+ [illegible]	**Total**
Settore scuola				**Education sector**
Sunascuol	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Snals	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Universita	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Totale settore	[illegible]	[illegible]	+ [illegible]	+ [illegible]	**Total**
Settore trasporti				**Transportation sector**
Sauli	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Fenilav	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Film	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Filtrasp	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Filpt	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Filp	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Totale settore	[illegible]	[illegible]	+ [illegible]	+ [illegible]	**Total**
Settore servizi				**Service sector**
Fisascat	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Fis.ae	[illegible]	[illegible]	= [illegible]	= [illegible]
Fdb	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Fila	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Uilcs	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Fisb	[illegible]	[illegible]	+ [illegible]	+ [illegible]
Totale settore	[illegible]	[illegible]	+ [illegible]	+ [illegible]	**Total**
Attività varie	[illegible]	[illegible]	+ [illegible]	+ [illegible]	**Miscellaneous activities**
Pensionati	[illegible]	[illegible]	+ [illegible]	+ [illegible]	**Pensioners**
Ricerca	[illegible]	[illegible]	= [illegible]	+ [illegible]	**Research**
Totale generale	[illegible]	[illegible]	+ [illegible]	+ [illegible]	**General total**

Alla Federbottai sono [illegible] del totale della scuola (1979). [illegible] alla Uil Aziende di Credito e [illegible] della Uisa [illegible] di Roma [illegible] alla Fim [illegible]

Alla Fim [illegible] per le [illegible]

Dalla [illegible] Federpubblici [illegible] del totale della scuola [illegible] ed aggiunti quelli di Snals [illegible]

Sono stati raggruppati insieme i [illegible] della attività diverse e [illegible] di [illegible] quelli [illegible] a parte il [illegible] Ricerca

[Postscripts on next page]

[Table 3 postcripts]

Federchimici lost 970 members from the 1979 total (700 in the SGS Ates in Catania and 270 in Texas Instruments in Rieti); they were transferred to FIM by confederal decision.

FIM added 970 units for the reasons mentioned above.

Federpubblici subtracted the members of the research union (3,023) and added those of SINDSE (338).

Miscellaneous unions were grouped together, except for Research, which is listed separately until further notice.

FULPIA	--	United Federation of Workers in the Food, Sugar and Alcohol Industries
Federchimici	--	Federation of Chemists
FILCA	--	Italian Federation of Workers in the Construction Industry and Related Industries
FLAEI	--	Federation of Workers of Electric Companies
Federenergia	--	Energy Industry Federation
FIM	--	Italian Federation of Workers in the Metallurgical and Mechanical Industries
Federlibro	--	Italian Federation of Bookbinders
FILTA	--	Italian Federation of Textile and Garment Workers
FISBA	--	Italian Federation of Farm Laborers and Skilled Workers
Federcoltivatori	--	Federation of Farmers
FIDEL	--	[expansion unknown]
FISO	--	Italian Federation of Hospital Workers
Federpubblici	--	Federation of Italian Workers in Public Institutions
FILS	--	Federation of Entertainment Employees
SILP	--	Italian Union of Post and Telegraph Employees
SILULAP	--	Italian Union of Local and Main Post Office Employees
SILTS	--	Italian Union of State Telephone Employees
SINASCEL	--	National Union of Elementary Schools
SISM	--	Italian Union of Secondary Schools
SAUFI	--	Autonomous United Union of Italian Railroad Workers
FENLAI	--	National Federation of Public Transport and Inland Waterways Workers
FILM	--	Italian Federation of Maritime Workers
FILTAT	--	Italian Federation of Transport Workers and Auxiliaries
FILAC	--	Italian Federation of Civil Aviation Workers
FILP	--	National Federation of Dock Workers
FIVAG	--	Italian Federation of Street Vendors and News Vendors

(3) Public administration and education increased by about 8 percent. This is a definite answer to those who thought that autonomous unionism would weaken the confederal unions. There were increases in the North, Center and South, with an absolute increase of 38,924 units in public administration and 14,194 units in Federscuola, which, with 200,000 members, is really the most representative union in the sector.

(4) The transportation sector increased by a net 7,400 members. It should be noted that the major increases took place in the very categories (railroad workers, sailors, airmen) where the corporate autonomous unions' offensive has been strongest and whose tactics have made a bad impression on public opinion. The overall percentage increase is 4.85 percent, more substantial than 1979's increase over the previous year (up 2.72 percent).

(5) The increase in the service sector is remarkable (up 9.60 percent), with high points in commerce (up 11.24 percent), insurance companies (up 15.14 percent) and telephones (up 11.22 percent). With an 8.06 percent increase, FIB is continuing the growth begun 5 years ago and has gone over the 50,000-member mark.

The 11,000-member growth in Fisascat should be noted, too; it is a category where a lot of organizing has been going on and is now bearing fruit despite organizing's being made difficult by the sector's fragmentation.

(6) The work of the Pensioners' Federation and the real help from territorial offices have contributed to the increase in membership of 13.04 percent, or 51,468 new members.

Breakdown by Geographical Areas

By geographical area, the increase was 9.28 percent (up 19,608) in the North; 14.26 percent (up 11,500) in the Center; and 17.73 percent (up 20,540) in the South.

A large slump in the number of agricultural workers in the South is matched by a large increase in pensioners.

The territorial breakdown:

(a) a 2.70 percent increase in the North (up 38,296), 7.79 percent in the Center (up 41,796) and 7.56 percent in the South (up 71,648).

(b) The regions with the largest rates of increase are Calabria (up 15.39 percent) and Latium (up 12.41 percent), while Marche, Abruzzi, Campania, Puglie and Lucania exceed the national average of 5.21 percent.

(c) The provinces showing the largest numerical increase are Rome (up 20,723), Naples (up 11,114), Reggio Calabria (up 8,433) and Bari (up 5,477).

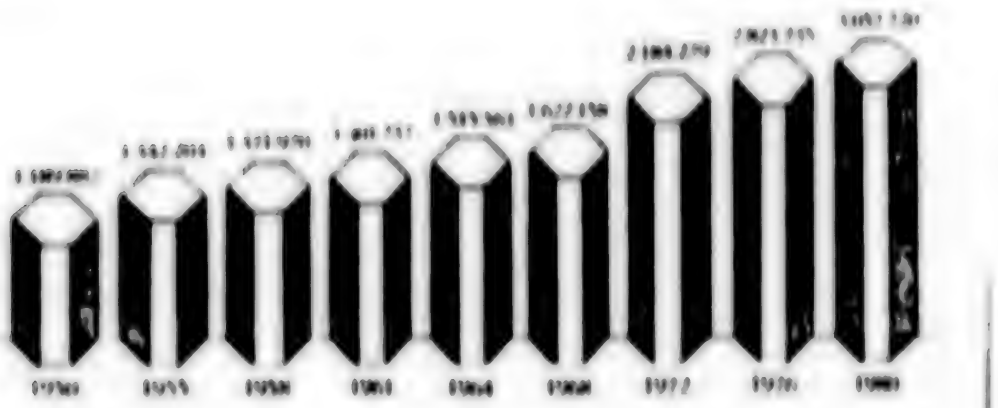
(d) Also increasing, though at lower rates, are the capital provinces of the Northern regions, which are more directly affected by the industrial crisis: Turin (up 144), Genoa (up 1,043), Milan (up 2,307), Venice (up 1,189), and Bologna (up 674).

This information is being furnished for developing data for the territorial union confederations (174) and for the new categorical groupings (17) as a basis for the

purpose of acquiring up to date information about the statutory arms of the CISL. CONQUISTE DEL LAVORO will be furnished this data for your future information.

(1) Membership in the years preceding each congress

(1) **Tesserati negli anni precedenti ciascun congresso**



8782
CSO: 3104

PCI LEGISLATIVE PROPOSAL FOR INDUSTRIAL POLICY

Rome L'UNITA in Italian 1 Apr 81 p 6

[Article by Antonio Mereu: "Press Conference in Milan by Borghini, Colajanni and Manghetti"]

[Text] Milan--The PCI does not limit itself to a merely antagonistic action against the government's incoherent choices and recessionary measures, but it is continuing on the road taken some time ago to submit proposals and initiatives capable of producing a turn in the economic policy and of strengthening the competitiveness of our country's industrial apparatus. This activity grew out of the conferences on FIAT and on State Participations: plans for chemistry; and proposals on energy, transportation and maritime economics. It may appear to be a singular event, that of the opposition committed to outlining a framework of compatible elements and choices for economic policy which may allow Italy to overcome the deep structural crisis caused by external factors such as the cost increase of raw materials, and also by factors resulting from the lack of an effective strategy on the part of the public administration and the government.

During the press conference held yesterday morning at the Circolo della Stampa in Milan, Borghini, Colajanni and Manghetti described to the many newspapermen in attendance the objectives and nature of PCI legislative proposals for industrial policy. "Regarding this law, we don't want to get into the essence of proposals concerning industrial policy," said Colajanni, vice president of Palazzo Madama's communist group. "It is useless to establish objectives and general goals that in the end remain on paper. We have evaluated significant data on past experiences and intend to start all over again: We are not proposing a law for restructuring and reconversion (like Law 675), but believe that an intervention is also necessary in sectors of strategic importance which are doing well, even if they lack financial resources for investment."

To Promote Recovery

The basic objective of the communist proposals, affirmed Borghini, Colajanni and Manghetti, is that of facilitating and favoring the recovery of the competitiveness of Italian industry. Due to the restriction of credit launched by the government, said Colajanni, one cannot select the best companies.

In fact, innovation and research cannot be undertaken even by enterprises capable of contributing to the competitiveness of our industry when the cost of money ranges from 26 to 30 percent. And the communist proposal, which intends to

rationalize and streamline norms and procedures for the entire industrial policy, draws its inspiration from this consideration. As far as Law 675 is concerned, the section on State Participations, that on mobility (which is a matter that we will face in the future, said Colajanni in answer to a question posed by a newspaperman) that on research and specific guidelines concerning small and medium-size companies, would remain in effect.

The PCI rejects the concept of a single fund in which all resources for industrial policy would be concentrated, proposing, instead, the creation of multiple means of intervention streamlining, at the same time, decision-making procedures (concentration of decisions based on size of industry and not on size of financing: For small and medium-size companies the region would become the decision-making center; for large companies, decisions would be made by the minister of industry and not by the ministry).

"In choosing the means of intervention," remarked the PCI representatives, "we have examined with great care the French experience: 29 different means of intervention for the granting of credit. The multiplicity of means is not an obstacle, according to Colajanni and Manghetti, who was back from a study trip in France, but an efficient public administration is a must.

Means of Intervention

The means of intervention proposed by the PCI, each with appropriate funds, should be:

1. Horizontal programs of intervention for energy savings and exports.

2. The extension of credit at favorable conditions for investment by small- and medium-size companies, with a ceiling based on the size of the company and not on that of the investment.

3. As far as programs for industrial sectors are concerned, the establishment of a fund is planned for contributions for investment, based on the evaluation of the plans presented.

4. The establishment of a fund for innovation should serve truly innovative processes concerning a product, from research to invertment, to distribution and sales.

5. Contributions for research support the structures of the IMI [Italian Credit Institute] funds with the introduction of research contracts.

6. For companies suffering from severe crisis, PCI proposals intend to modify Law 787, facilitating mergers, improving fiscal exemptions for debt consolidation on the part of financial institutions. But in such a case, added Colajanni, we want to avoid experiences like those of GEPI [Industrial Participations and Management Company] (the state paid the entire salary of the workers of GEPI companies and, on top of that, the institute is still in the red), intervening only when the problems to be solved are of a financial and not administrative nature.

The PCI proposals give special attention to the problems of the South; the automatic incentives planned by the bill for the South are cumulative, along with all interventions for industrial policy. However, any involvement on the part of the Fund for the South must be avoided in appropriations. With further laws, Colajanni concluded, tax breaks may be established on unpaid dividends as well as regulations favoring the issuance of convertible bonds by special institutions and companies.

9758
CSO: 3104/232

KODISO PARTY CHAIRMAN ADDRESSES CENTRAL COMMITTEE

Athens TO VIMA in Greek 29 Mar 81 p 6

[Text] KODISO [Party of Democratic Socialism] has decided to present itself as an autonomous party in the forthcoming elections because the expected response to its initiatives for rallying the forces of the progressive center did not materialize.

This was emphasized by the Chairman of the KODISO, Mr. I. Pesmazoglou, in his address to the Central Committee yesterday.

In continuing, he called on all cadres and forces of the party to actively mobilize so that KODISO can validly represent the democratic world, which refuses to accept the political compromise of choosing between only two parties, and to claim its own role in the matter of change.

Mr. Pesmazoglou addressed himself extensively to the condition of the economy emphasizing that,

"The 'New Democracy' bears a very heavy responsibility for the social and economic deterioration, for the disorganization of the State, and the weakening of the international position of our country. And the assertion of the Government, which continuously attributes these developments to international difficulties, is groundless. Our protection from a foreign threat, and the security of the country can be strengthened only through strong social cohesion, democratic unity, and a more comprehensive clean-up of the political life of the country.

"The drop of the real income of large groups of workers and the loss of faith in governmental forecasts, pronouncements and efforts, block the way to all forecasting and paralyze the healthy private business initiatives, especially of the smaller business.

"The clean-up and development of the economy demands, first of all, the restoration of trust. This cannot be achieved by the 'New Democracy' government. It can only be achieved by a government of democratic cooperation, based on wide popular consent.

"The primary goal must be the fight against inflation and the protection of the income of the large groups of workers, in combination with a steady support and valorization of productive investments which can assure quick and substantial results. Within two years it is possible to reduce the rate of inflation by almost one-half, that is, below 15%. In a second phase, inflation must and can be reduced to approximately 10%. And in a third phase, a decisive reduction, below 10%, can be achieved."

In concluding, the Chairman of KODISO made reference to the known "group of proposal" of his party and said,

"A few weeks ago the KODISO undertook a new initiative. We even submitted our proposals to the Prime Minister. With regard to the establishment of the simple proportional system we again received a negative answer. As regards the imposition of controls on electoral spending by parties and candidates the proposal was accepted in principle. The subject is a serious one. It aims at preventing the resorting to advertising and expenses with undeclared financial sources and to establish the objective and valid presentation by radio and television of the political positions and platforms of the parties. Within the coming weeks, we will submit a bill concerning these subjects and we hope that it will be enacted into law before the upcoming elections.

9731
CSO: 4908/137

KODISO PROPOSES CONTROL OVER ELECTION EXPENSES

Athens TA NEA in Greek 17 Apr 81 p 16

/Text/ The Democratic Socialism Party /KODISO/ introduced in the Chamber of Deputies a bill for the control of election expenses by parties and candidates. At the same time, it sent both the cover report and the draft law text to all parties. The bill was introduced by KODISO chairman Giangos Pesmazoglou who had discussed the issue of limiting election expenses with Premier Rallis.

As is known, Rallis had originally agreed with the suggestion but had expressed doubts as to the possibility for an effective control of the expenses.

The draft law--which as Pesmazoglou pointed out yesterday "is the first decisive step toward the purification of public life"--describes the procedure for controlling election expenses. Article 1 of the bill "provides for the publication of the expenses incurred by parties and candidates for parliamentary seats, fixes the maximum amount of expenses and the monitoring of such expenses..." During a press conference yesterday Pesmazoglou pointed out that:

a. KODISO will discuss and will accept any frank observations by another party concerning the bill it introduced.

b. During the discussion of the /country's/ constitution the parties had agreed to control expenses but not to control the resources of the parties.

c. During the relevant debates the parties had accepted--in principle--the provision making public the election expenses as well as their limitation and control "as a positive measure for cleansing public life."

In response to questions by reporters, Pesmazoglou said also that for the purification of public life it is necessary to institute the simple proportional /electoral system/ and to make available to all parties the state's media. Pesmazoglou did not exclude the possibility of KODISO cooperating with other parties or groups of the Center but pointed out emphatically that since the time it had set for discussion of his proposals with other parties of the Center has expired, KODISO now enters the election fight as an independent party.

To the question concerning the possibility of a post-election KODISO cooperation with other parties, Pesmazoglou made it clear that his party will cooperate with

any of the two large parties (ND--PASOK) with which KODISO will be able to agree on fundamental domestic and foreign issues. The bill KODISO introduced to the Chamber of Deputies provides, in part, that the limit of expenses by parties and candidates will be fixed by the chamber and its effective implementation will be monitored by certified accountants. A /successful/ candidate who spends more than the fixed limit will be denied his seat. The chairman of a party (which exceeds the limit of expenses) will also lose his seat.

7520
CSO: 4908/139

PASOK CHAIRMAN SPEAKS ON LOCAL GOVERNMENT RIGHTS

Athens TO VIMA in Greek 29 Mar 81 p 5

[Text] The change which PASOK [Panhellenic Socialist Movement] promises, goes through defined first stages, which constitute the recovery of the rights of local self-government, was underscored by Mr. A. Papandreou, at the beginning of deliberations of the Panhellenic Conference on Local Self-Government.

"The Greek State" the Chairman of PASOK said "is one of the most centralized now in existence in the West.

"It was actually formed after the Civil War . the purpose of acting as guardian, of directing, of opposing the people, by their democratic proceedings and by exercising their rights, threaten the interests of the great economic oligarchy.

"This Government is a centralizing machine which guarantees that the Establishment, the processes of the Country, will be decided not by its aspirations, its expectations, its visions but by the alien interests which it represents and the oligarchy whose decisions it conveys through a State machine which has been built as an opponent of the people, where the servant of the people is the executor of his own sovereign will. To be sure, we owe this to a great degree, to the Civil War with the result that, with the direction and assistance of the "protector power beyond the Atlantic," the United States, the State of the Right came into existence. There exist in our country laws of local self-government. There is the Municipality. There is the Township, there is the Nome, but they function in a short-changing manner, a way which today is really incomprehensible."

Mr. Papandreou then referred to the operation of local self-government in other countries and analyzed the question of its economic disgrace in our country by pointing out that,

"Local self-government has very insignificant possibilities to develop its functional sources.

"It receives about 1% of the budget, although, in 1936, within the structure of a harsh royalist dictatorship, it received 12%.

"Local self-government cannot thus play any role in the shaping of daily life."

Continuing, the chairman of PASOK addressed himself to the uneven development of Greece and said that the yearly income of a Greek, living outside the big cities, is a small part of the national per capita income, or even less, when we figure the average urban income. The rural class of our country, which is approximately 30% of the population, in our view has a per capita income of 1/3 the average per capita income of the urban areas. But even within this rural region one finds places that are totally underdeveloped, where life is at a level which calls to mind the worst possible conditions of the underdevelopment of the Third World, and we have highly developed regions which remind us of Northern Europe. Development in our country was never programmed, was never planned in detail.

"Local self-government," said Mr. Papandreou, "is for the PASOK, one of the bases of Democracy, because parliamentary expression is not sufficient for its fulfillment.

"Local self-government plays a determining role in the socio-economic planning professed by the PASOK, that is, it plays a determining role in what we call Democratic Planning."

"I would like to say now," Mr. Papandreou continued, "two words about this planning: we must look at this planning as somewhat of a pyramid. It has its summit--which stands as the central authority; then it has other levels down to the base. How many levels is a technical matter and is our option within the context of our vision, and I emphasize this because it is not a first step, but a vision; we see on the summit the central authority; after that we see the district, and when we speak about districts, we talk about approximately 9, 10, or 11 districts or departments of our country; then we talk about the province, which has its own social entity--economic, social, and political--and, finally, the base, the municipality and the township."

"The Democratic Planning, as we perceive it, stated the PASOK chairman, is not a one-way street; it does not merely concern the sending of messages from the summit of the pyramid to its base. Ours is not a case of planning, a case in which some technocrats, removed from the problems of the people, formulate bureaucratically, technocratically, if you wish, a program for social and economic development, which is then imposed, hierarchically all the way to the base. For us, two-way information is the norm in order for the planning to be democratic.

"Democratic planning must be multi-centered and decentralized and decentralization is identified with local self-government," underlined Mr. Papandreou, and he concluded,

"I spoke to you about this vision, but at the same time I should forewarn all of us, that the first steps will be difficult, that the changes will have to be made at a pace so as not to disorganize the economic process of our country and that every measure which we enact or will enact, should have the wide consent of our people. In the first phase then, we will introduce legislation for the nome, but we will not enact it into law during the first phase. In the first phase we will work with the nomes and the nome councils, elected, of course. But it would be a mistake if in the first phase we were unable to offer guidance for the basic changes within the existing structures. We will escape from the structures, but not at first.

But what is clear, in general terms, is that, as jurisdictions will be transferred, in stages, to local self-government of various degrees; that is, there will be in the same legislation, the transfer of the sources from the center to the local self-government of the three degrees to which we have referred."

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EFFORT OF CENTER PARTY LEADER TO RALLY CENTER PARTIES

Athens TO VIMA in Greek 29 Mar 81 p 6

[Text] The Government must understand, even at the last moment, to what misadventures it is leading the country by intentionally fostering the tensions of political passions, and hasten to establish the simple proportional system.

This was emphasized by the Chairman of the Center Party, Mr. Georgios Mavros, in a speach at the first session of the Central Committee of his party.

"The aim is a single one," said Mr. Mavros,

"To oust the governing party, which has oppressed the country for decades and traffics in all ideologies, from the far Right to Socialism and, especially lately, claims the heritage of Venizelism. At the same time those, who proclaim the two-front struggle in the upcoming elections, are actually working against change and for the continuation of the present regime."

The Chairman of the Center Party continued by referring to the subject of rallying the forces of the Center and said,

"In order to assure political stability in the country, the presence of a strong Center in the new Parliament is necessary and indispensable. In order for a strong Center to be present, the genuine forces of the Center must rally; those which have struggled militantly with perseverence and effectiveness on the side of the Center. I will make every effort to rally the genuine forces of the Center.

"It is not personal ambition that guides me in the struggle which I have undertaken. The Nation knows that, in my long militancy in public service in the Country I never contemplated satisfying personal ambitions and the pursuit of holding office."

Mr. Mavros spoke extensively about the economic problem[illegible]d, characteristically, that there is no economic policy, only partisa[illegible]icy. And, continuing, he emphasized,

"Ever since we have in essence entered the pre-election period, we are witnessing a paroxysm of small-party politicking, of an over-indulgence of grants, political favors, and promises in all directions and without any relation to the possibilities, or the interest, of the economy of the country. The economy is led backwards and forwards by the forces of speculation, the errors, the negligence, or even the incompetence of those who govern.

"Dejection and pessimism grips everyone and paralyzes every inclination towards new productive initiatives. The compound interest of financing has surpassed 25%, a height which is unprecedented in the post-war annals. Thus, business enterprises and especially the small to medium firms are groaning under the unbearable weight of the supply-side, with the parallel lack of sufficient capital, and facing the specter of economic collapse. And it would be a tragic irony for them and for the entire Nation for their demise to coincide with our entry into the European Community.

"Our economy is gradually becoming service-oriented with all the adverse repercussions this will have on our future economic development.

"The Stock Exchange, which is the economic barometer of every economy and which constitutes the means of popularizing the business potential, is today in a literally tragic situation. When the prices of all goods have, on the average, doubled since 1975, the values of stocks on the Athens Stock Exchange are now one-half of those of 1975.

"As regards taxation, the situation is tragically inconsistent. The individual income tax, basically unchanged since 1974 despite the rising inflation, oppresses the great mass of honest taxpayers and, at the same time, constitutes a shelter for the legal defense of tax evaders. Everyone knows that tax evasion has reached enormous proportions. Greece is probably the only country where earned income is subject to a tax of as much as 70%.

"But the most immediate, the most oppressive of our problems is that of inflation which today is endemic in many countries. Its particular severity in our country is due, first of all, to the loose, inconsistent, and contradictory economic and financial policy as well as to the low productivity of the State-owned sector of the economy. The best example of this situation is given by the sad story of the bills of DEI [Public Power Corporation] where the State by means of one of its transactions, withholds from the citizens an amount of income equal, or even greater, to the expected overall increase of salaries and wages."

The Chairman of the Center Party spoke afterwards about the policy and political crisis of today and underscored the errors of foreign policy, emphasizing that all the diplomatic maneuvering for the past few years has taken place with unallowable secrecy and that the people learn what happens from the foreign press.

In concluding, he addressed himself to the goals of the Center Party among which are:

The overhauling and cleaning up of public service.

The strengthening of the Government with laws which will guarantee the smooth political operation of the country.

The elimination of political favoritism and bureaucracy which harass the citizenry and delay the economic development of the country.

Sanitize and tidy up the entire economic management of the Government and the Government-run enterprises, which as a whole are facing bankruptcy.

The establishment of a special tax policy which will crack down on tax evasion and will lighten the tax burden of those, who live on earned incomes and who, in their majority, are honest taxpayers.

The restoration of the lost prestige of the country abroad with the adoption of a stable foreign policy, which will strengthen our national independence and our territorial integrity.

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FOUR DEPUTIES FORM INDEPENDENT POLITICAL GROUP

Athens TA NEA in Greek 17 Apr 81 pp 1, 11

[Text] In a statement submitted yesterday to the Chamber of Deputies, four independent deputies who left different parties--M. Aylouris (former member of the Democratic Center Union [EDIK]), D. Kardaras (former member of EDIK and the Democratic Socialism Party [KODISO]), Ang. Pnevmatikos (former ND member), and Kh. Inamoglou (former member of the National Array)--announced that they are forming a "group of independent deputies."

In their joint statement the four deputies said that "according to the chamber's regulations" they will be represented in each case by one [of the four] whose name will be submitted to the president of the chamber. It should be noted that the statement was dated 19 March 1981.

When asked about the statement Aylouris said that "the alliance of the four" is only a formality and added that he himself still adheres to the Center in whose unity he still believes and that the other three members of the new group "belong to the Right."

(Editor's note: Kardaras comes from the Center ranks. Before the dictatorship he was elected as a member of the Center Union [EK] and EDIK which he left to join KODISO from which he walked out to become independent during the election of the president of the republic.)

In contrast to Aylouris, A. Pnevmatikos let it be understood that the decision of the four has a deeper substantial meaning, explaining that "they will follow a joint course of action."

Bargainings?

Chamber of Deputies President D. Papaspyrou interpreted the statement as an effort on the part of the four to appear as a group for procedural reasons and, specifically, to be able to present their stand on all issues through a common representative. Papaspyrou added that until now he has given the floor, by concession, to groups which had designated a permanent representative and that it will not be possible to extend such recognition to the new group if it insists on the rotation of parliamentary representation as the announcement of the four points out.

PASOK parliamentary representative Alevras interpreted the statement as an effort on the part of the four independent deputies "to enhance their negotiating strength" either for joining or for cooperating with another party--possibly ND. He added that according to the chamber's regulations the four are entitled to the same treatment as that accorded other political groups.

After the joint announcement of the four yesterday, only P. Kanellopoulos, St. Khoutas, and M. Protopapadakis now remain independent. The new group is the fourth in number of deputy political power in the chamber.

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CRAXI'S OPENING REPORT TO PSI CONGRESS

LD010935 Rome AVANTI in Italian 23 Apr 81 pp 8-17

[Apparent text of PSI Secretary Bettino Craxi 22 April opening report to PSI Congress in Palermo: "Socialist Renewal for Italy's Renewal"]

[Excerpts] A commitment to a return to the freshness and strength of our origins, a critical reappraisal of our history and the quest for roots and ideas among the people and in the nation and for contributions in the form of ideas and experiences amid complex and sometimes contradictory processes have throughout the years constituted an important element of party renewal. The reestablishment of an improved and better defined image of the party and of Italian socialism has therefore been not the artificial product of an altered situation, but the result of an assessment of history and analysis of experiences, the initial overall outcome of which was the exposition of principles and values embodied in the "socialist blueprint" which we made the center of discussion at the Turin Congress. The party's new course has remained within that context and has therefore remained loyal to the attitudes proper to a reformist, democratic, nonconfessional European and Western socialist party. This definition embodies the link with the ideas and experience of a tradition which in the long term, in the face of the experiences of history and the resurgence of problems of approach or strategic planning within the socialist movement, demonstrates the greatest steadfastness compared to other traditions and retains its characteristic validity and topicality.

Therefore reformist does not emerge as an archaic idea from the dusty archives of the century's early decades. It presents itself again as a conception of principle and of political method which, in the updated and modern terms of a profoundly changed society, is drawn from the consolidated practice which in both the political and the trade union fields not just the socialists but the entire workers' movement experiences through struggles based on democratic and reformist principles and on a gradualist approach. Since we identify with a reformist approach, we draw from events and practical experiences consistent theoretical conclusions and do not adopt the attitude of paying homage to the residual vestiges of revolutionary theories which are, admittedly, important but whose only relationship with us, with today's socialist struggle in Italy and with the objectives toward which we must direct the workers' struggles, is purely historical and which theories are of no practical validity. This definition embodies an indication of our firm bond with the values of political pluralism and the liberal-democratic system, though we are well aware of the continuing importance in western democracies and the democratic political system, which Maurice Duverger describes as "plutodemocratic," of the wealth and economic power of

small groups and of how many gulfs separate the classes and indicate the persistence of vast social inequalities.

There is a close bond of continuity and consistency between the Turin "socialist blueprint," the reformist approach of the "congress theses" and the action of the entire party as a whole. In any case, over the years we have always striven to ensure--once the necessary alterations and changes had been introduced--also some degree of continuity with the party's more recent past, always facilitating the establishment or restoration of the broadest unity, even when we have encountered incomprehension and in some cases obstinately mean attitudes toward the efforts and experiences of a new leadership class within the party.

The changes and corrections were necessary; the party has drawn from them new vigor and new strength, which successive internal crises have not substantially affected, partly thanks to everyone's determination.

Therefore the record of the past 3 years from Turin to Palermo is a positive one. There is no basic argument about this among ourselves--nor could there be, since the facts prove it. They have been 3 very tough years, of political struggles, of difficult political, electoral, moral and organizational tests. The party passed all--or almost all--of them successfully. Its electoral support is still insufficient, but it plays a prominent role in the nation's political life. It is at the head of major regions and major cities and is represented throughout political, administrative and trade union activity as a factor of dynamism, regeneration and strength of the democratic system. There is no bombast in my words. They express the conviction that a political force which sets itself the task of renewing itself and is able to sustain and extend the aspiration to renewal is bound to increase its influence, strength and responsibility.

There is no rigidity, which is an allegation that I have been hearing for some time--if anything there is the conviction that unless our renewal proves contagious to others, unless it forces a link in aims and objectives of reform with other political forces equally determined to carry out a renewal, all our attempts and efforts will be restricted to a limited context, and if they achieve any results, they will be partial and very slow. But an awareness of your own limits does not imply resigning yourself to playing a subordinate role, to waiting for those who do not want to move ahead and to abandoning aiming high. The history of the past 3 years has also been the history of the mistrust, hostility and attacks directed against us and against the possibility of our performing an autonomous role which, by causing a crisis in the hegemonistic tendencies and habits of the bipolar system centered on the two major parties' dominant role, simply confronted everyone with new realities and with the need to revise traditional policies and approaches. Therefore, despite the difficulties, we have moved forward. Our policy of autonomy has gradually become established and its message has reached new strata of the voters, who have accepted it. If the open attacks have failed to make us retreat, it is unlikely that the maneuvers and conspiracies, that occur with every step forward that we take, will manage to do so.

In the face of the crisis and the threats of conflict, when tensions seemed to be driving the protagonists to the wall, [former PSI chairman] Nenni used to repeat his watchword of "negotiate, always negotiate." This motto, and the policy which

it expresses, are extremely topical today. At a time when the positive cycle of detente is over, peace is a long way off, the storms have returned and negotiations everywhere on the most thorny problems, both central and peripheral, are at a standstill, in a state of crisis, are not developing or in some cases lack even the pre conditions for their existence.

The policy and the years of detente were not an error and their result is anything but negative. To work for a new course of detente is neither an error nor an illusion.

What is an illusion is to regard detente as an abstract concept, as a polite and cheerful aim on the part of a few kind souls, rather than as a state of relations based on agreed and controlled balances, on the systematic reduction of antagonisms, on new relations of international cooperation, on an economic order which reflects the world's new balances and new situation and on a climate of trust supported by facts and by specific proof.

Detente has lapsed because of the disruption of the balances on the military plane, the Soviet invasion of Afghanistan and the resurgence of anxiety concerning the gulf and oil-producing area and the increased direct and indirect Soviet presence in Africa, which has increased the fear of a Soviet expansionist strategy.

On the military plane protests are being made in all areas, from conventional to nuclear weapons. The so-called "balance of imbalances" has been broken. Both security levels and the arms control policy are being challenged.

The Soviet Union seems to be in a position of superiority in the field of conventional weapons and forces. Moreover, a definite shift in the balances in the European theater has been caused in the nuclear field too by the deployment of new systems and new nuclear rockets. Western reaction to this disruption of balances, to which Italy has associated itself, is a reminder valid for everyone of the premises in the nuclear context that must be at the basis of any prospects of peace. Peace can only be based on mutual security, mutual balance and control, at least approximate parity, the belief that no threat can have any sequel or real influence and on the possibility of agreed control and reduction measures being adopted in an atmosphere of security and trust.

Every injury to or disruption of the balances sets in motion the dangerous machinery of suspicion, unleashes spirals which threaten to escape all control, and destabilizes the balance that is in fact needed.

There has been a great deal of polemic about the so-called "Euromissiles" problem and a hint of further polemics emerged again recently within the Atlantic alliance. The fact remains that since the USSR was trying to deny the very existence of the problem, namely the imbalance created by its SS 20s, whose warheads are targeted in their hundreds on the whole of Europe as far as the Atlantic, the decision to introduce a program to modernize the nuclear defense system in the European theater was inevitable.

In this context more than in others it is difficult to obtain anything unless you have something else to give in exchange. Nevertheless, it must be remembered that the decision taken by NATO in 1979 embodied two parts--one concerning the introduction of the missile program and another confirming the continuing desire for a policy

of control. Now the Soviet Union is talking in terms of negotiations, thus acknowledging the existence of the problem. Moderate language was used on the platform of the CPSU Congress in Moscow and an interested and willing attitude toward negotiation was demonstrated.

One can be suspicious, one can fear that propaganda and diplomatic tactics conceal true intentions, but come what may one must not ignore the fundamental issue, namely that it is in the interests of peace and of the quest for the new balances on which it must be based to retie the threads of negotiation. More generally, an uncontrolled rearmament race must be prevented from resuming on the basis of the premise of tensions, fears, incomprehensions and challenges.

The frightening thing is not so much the present level of armaments, which is, nevertheless, very high, but future projections. It is certain that nobody can now consider aiming to secure a real and lasting military superiority worldwide without prompting reactions from others.

The framework for negotiations must be redefined before the arms race becomes dangerously rapid. Further major military spending constitutes an intolerable burden for the world economy and a heavy weight on the wealthy western societies. It should be intolerable for Soviet society too, which is not swimming in wealth, and it is disastrous for poor societies which would like to see so large a quantity of resources channeled to very different ends.

So it is that Italy must express the greatest interest in a European disarmament conference and it is not too late to hope that the new course in U.S. politics will embrace SALT negotiations and work for a new positive conclusion.

Perhaps the USSR Government did not expect all the damage and negative consequences of the military invasion of Afghanistan. In our era now "everything is connected" and linked; there is nothing peripheral that is not bound to become central when the major powers are the protagonists of events. It did not foresee the Afghan resistance, it did not foresee the general alarm created in connection with matters concerning the security, stability and future of the neighboring region, which comprises an oil-producing area of vital importance to the economy of the entire West.

A large proportion of the oil supplies of Europe, Japan and, to a much lesser extent, the United States come from this area. It is a highly sensitive nerve center where any disruption of the balance is likely to cause a conflagration. It is a region crisscrossing by factors of division and instability and by local conflicts by which the stability of the West's economy is largely conditioned. Hence the need for a guaranteed and secure balance now and in the future, not only for the United States but also, and principally, for Europe. This does not mean that European flags must fly in the Gulf. It merely means that there must be a clear enunciation of Europe's vital interest in the sovereignty and independence of friendly nations. This means that--over and above the military aspect, which is always of a contingent and extreme nature--Europe and Italy must expand and intensify positive economic, trading and political relations. It means moving toward a strategic area by building an increasingly firm network of relations, interdependences and cooperation; helping to resolve ongoing conflicts and contributing to peaceful development processes. In this connection there has been a great and widespread sense of unease concerning the conflict

between two friendly nations, namely Iraq and Iran, and we expressed great disapproval over the unjust U.S. hostages affair.

But the most painful thrust, the greatest danger and the constant threat that is poisoning relations in the region and even international relations remains the Arab-Israeli conflict over the Palestinian issue. Camp David broached only one aspect of the problem, but certainly did not resolve it--nor could it have done so. The Begin Government's stubborn and crazy policy made all paths impassible. Whichever way you look at it, you always return to the nub of the problem, namely the fact that there can be no solution to the Palestinian problem without the Palestinians.

As long as the sides most directly concerned refuse to recognize each other and refuse a direct dialogue, everything is difficult, if not impossible. At the same time a solution can only stem from a twofold recognition--of the state of Israel's rights and legitimacy, integrity and security; and of the Palestinian people's right to self-determination.

We have always been in favor of direct dialogue among the sides most directly concerned with an overall solution for the occupied and disputed region, namely primarily the Israelis, the Palestinians and the Jordanians, while still taking into account the importance of the role that can be played by the United States, to some extent Europe and certainly also the USSR.

The fact remains that there is a great need for new ideas and proposals, political changes and positive solutions. Over the years there has been a growing awareness that these things are possible and that they increasingly reflect the general desire for stability and peace. Our hope is that it will be possible, by means of determined action by the peace-loving forces, to put an end to the medieval dark and bloodthirsty night into which Lebanon has been plunged and that it will be possible to progress from the plane of war and terrorism to the plane of dialogue and negotiation.

Our hope is that the Israeli workers' parties will, when they resume leadership of Israeli politics, show themselves capable of surmounting the shortcomings in their attitude and become courageous protagonists of a policy of peace, in a patient and gradual quest for a stable solution to the Middle East crisis and for a generous and fair institutional future for the Palestinian people. The European-Arab-African dialogue constitutes one of the main roads for the future.

Africa and the Arab world are Europe's most natural and closest interlocutors. Their mutual interests are obvious. Their possible grounds for rapprochement and cooperation are manifold, and the potentials are enormous.

In Europe, and in Italy too, there is a slowness to clearly understand this problem, its nature and its strategic importance. There is a slowness of movement and a lack of initiative, that must be remedied.

Europe, which is wealthier, stronger and more secure, despite the economic difficulties and crises--which, however, certainly do not nullify its present enormous potential--faces natural paths which, in time and through development, it has a duty to support--the paths of the societies that are still backward, which will

become an essential reference point. This applies to Italy, too, which has much ground to make up and which can contribute to European-Arab-African dialogue and cooperation a prestigious medium technology, a considerable technological and labor capability and resources which must nurture the struggle against underdevelopment. With regard to the more general problems of the Third World--the struggle against malnutrition, disease and the human and social cancers resulting from underdevelopment--we have a duty to support and extend the change of policy on which Italy has embarked with the allocation in the budget for the next 3 years of major sums for the battle to reduce the world's inequalities. Africa, in particular, has liberated itself from the colonialists and colonialism, though it has still not managed to eliminate racism, discrimination and exploitation. The African countries do not, or should not, need liberators, who sooner or later are bound to open the way to new forms of colonialism.

Africa is in danger of becoming the battlefield for a new struggle of influences and indirect imperialisms, the setting for raids by imperialist mini-powers. In view of all this we advocate the independence of states and peoples, the idea of Africa to the Africans and equal-based inter-state relations.

The incommunicability between the different sides into which Europe is split by military alliances, by deep-rooted differences of political systems, by the World War II legacy, another impermeable wall between Eastern and Western Europe and between the latter and the Soviet Union would create an atmosphere impossible to breathe and a climate so bad that it would make possible any negative outcome.

There are currents in the United States which probably hold an oversimplified and somewhat Manichean view of the complex problem of inter-European relations. It is not simply a matter of concern to border countries or to Europe's neutral countries; it is not merely a German issue whereby a people are split into two states; it concerns Italy too, which has developed its own natural aspiration to relations with the Eastern bloc, toward which it is caused to turn not only by the importance of trade and exchanges on a considerable scale but also by a context of cultural relations and friendly relations and ties which, especially as the East European countries are concerned, have ancient traditions and roots--and I am not talking only about Yugoslavia, but also in particular about Hungary, Romania and Poland.

We believe that once a balanced European security defense system has been guaranteed and the European states' independence duly protected, the free course of economic and trading relations must be encouraged and developed. This can only result in beneficial effects on the economic plane, as long as exchanges are organized in a manner advantageous to all, and in the long term on the political plane too. There must be no ties of dependence, but ties of interdependence which will facilitate greater understanding, the necessary coexistence and a sharing of experiences.

There must be no threat, no false hopes of self-neutralization, of what is called "Finlandization." There must be no dismissiveness or indifference toward expansive or destabilizing maneuvers or, worse still, toward acts of force.

The Polish problem has exploded in the heart of Europe. The problem is not emerging in connection with the crisis in East-West relations. The problem is emerging within the context of the crisis of a communist system. We understand the great delicacy of the situation that has come about, though the movement of trade union demands has

never challenged Poland's international position or its loyalty to its alliances. Naturally we are on solidarity's side, as are the majority of the Polish workers and people, though we have approved of the effort of understanding and prudence that has taken shape within the Polish Communist Party.

I believe that the changes and revisions demanded must be fully implemented in the interests of Polish society, of its economy and of resolving the current serious crisis.

I believe that the situation can only prompt patience and caution on the part of all concerned. I believe that Polish society must be left free to tackle and resolve its difficulties without interferences, still less acts of force. I believe that the Poles cannot be told what mother courage tells her children in Bertold Brecht's play: "The Poles should not have meddled here in Poland." Every threatening word sounds unpleasant to us but we still believe that the USSR will not dare go as far as a military adventure on Polish soil.

I believe that everyone in Europe, including ourselves, must make the necessary effort to cooperate to reduce the traumatic danger of the Polish economic crisis. A different and negative course of events must be definitely discouraged, since it would constitute the classic leap in the dark, with incalculable consequences in international relations and in peace processes and negotiation processes, which must, on the contrary, be reinvigorated. China is near. This motto of Italian followers of the Chinese cultural revolution is much truer now than before. Having emerged from international isolation, critical of the turbulent years of extremism, in need of and anxious for "modernizations," China is on the world scene with its vast human potential and potential resources and a desire, tinged with alarmism and pessimism, to contribute to the world's stability and balance and to world peace.

Beijing remembers Nenni and we in turn support a new and increasingly committed course of friendly, useful and long-lasting relations between Italy and China, between Europe and the West and the great Asian nation.

In the crisis of the biopolar system, Europe's political role is bound to become more important and more necessary. There must be an intensive and continuous quest for a united political approach to all the essential options regarding world peace, security and detente. Aware that it constitutes a nerve center of the entire world system, Europe must play an active role in building a stronger world balance, firmly bound to peaceful conditions and aimed at resolving the major crisis of economic disorder, underdevelopment and widespread and latent conflicts that threaten mankind's future. Within the narrower framework of EEC Europe, we must move toward a regeneration of the institutions, an acceleration of the integration process and a more balanced approach, which will reduce--at least as far as we are concerned--the negative effects on some essential sectors of our economy, starting with agriculture.

But Europe alone cannot support the weight of a relationship and policy of balance with respect to Soviet might and the Eastern bloc, nor could the United States, for its part, aim at reestablishing a hegemonic role of exclusive representation of the Western world. The alliance between Europe and the United States which constitutes

its strong point must be renewed and developed proceeding from profoundly different balances from the ones that have characterized previous periods of the Atlantic alliance. This will mean greater responsibilities for Europe, but for the United States it will mean the absolutely essential acknowledgement of the parity of an alliance among democratic nations which intend to pursue shared interest. There are problems concerning increasingly efficient consultations and increasingly close coordination within the context of a military alliance that abides by its original and fundamental aim, namely the defense of its member countries' territories. There is the problem of the vitality of a more general political alliance in the face of the "challenges" emerging in the present world situation. A Europe more active on the world scene can only encourage the new U.S. administration, once the initial phase subsequent to the election race and the unforseen incidents--dangerous, but fortunately unsuccessful--has passed, urged on by the U.S. scientific successes, to take a rapid initiative, not for a return to nationalistic forms of rigidity, but for an open and flexible policy toward possibilities of negotiation and of resuming the dialogue, which will certainly strengthen the balances of security, and to steadfastly and resolutely pursue the fundamental objectives of peace.

Italy--within Europe, the EEC institutions and the Atlantic alliance--can and must perform more and more actively the role most consistent with the aspirations to peace, peaceful coexistence and cooperation among the states and to an open attitude toward the world's newly emerging realities, which are felt so strongly by the vast majority of the Italian people.

The process of reform must affect all fields, modifying the economic and administrative structures, rules of conduct and the very articles of the constitution.

Naturally attention has centered on this latter aspect, on account of its innovative nature, and it is indeed of fundamental importance and unquestionable value to the better overall functioning of the institutions. These are major objectives and imply great political commitment and hard work and it is no accident that we have been talking in terms of a "grand reform."

The utmost efficiency, authoritativeness and responsibility must be restored to all the democratic institutions. There must be modifications and revisions, which the democratic government has the right to implement and which the constitution itself makes possible.

The complete implementation of the constitution and the introduction of modifications within the constitutional context, while standing quite firm on the principles and values of our system, are not and must not be conflicting lines. To implement where it remains to be implemented and to modify where experience suggests modifications.

Experience must serve some purpose and the analysis of facts, of the negative aspects and the weak, inadequate and awkward functioning of the fundamental bodies can leave indifferent only hardened conservatives, petty opportunist politicians and those who, in short, believe that they can benefit from the erosion of the system and its progressive loss of prestige. First and foremost, parliament does not function as it should; the way in which laws are produced is unsatisfactory and its powers of control are inadequate. This critical situation has been dragging on for some time and has only deteriorated on the way.

it is enough to consider that no less than 15 years ago, at a conference on the subject of "The Left and the Crisis of Parliament," Ugo La Malfa condemned the existence of "antiquated systems" and observed that parliament seemed to be "using a horse-drawn carriage at a time when we must travel by air at 800km an hour."

In the meantime the speed of air travel has increased but parliament is still in its horse-drawn carriage. Structural and organizational modifications are needed. Alterations must be made to the powers, procedures and very form of the bicameral system, which as it is now organized is merely a wasteful luxury that we can no longer permit ourselves. We must also make improvements to the electoral laws to eliminate obstacles and disparities, to facilitate the simplification of alignments, to reduce the harmful influence of factors of patronage and provincialism and to facilitate an increasingly stringent selection of parliamentary staff. Without stability it is impossible to govern a society that is being made increasingly complex by its own development, a state whose functions, roles and responsibilities are multiplying. In a "world instability competition" among western parliamentary democracies Italy could boast an absolute record over the past 30 years. Annual governments, 6-month governments, weekly governments, governments which people try to bring down the day after they are formed, governments which secure the lower house's confidence and 30 minutes later are defeated in a secret ballot, rebel voters, blind government crises, extraparliamentary crises and the premature termination of legislative periods.

This is a picture that must change. Of course the prime considerations are the political problems, the will, the serious intent and sense of responsibility of the political forces; but nevertheless rules must be formulated that will assist the trend toward stability and discourage destabilizing and crisis-mongering thrusts. There are problems concerning the structure of the executive, its powers, the prime minister's constitutional powers and the method of forming government teams. In this field too there are many justified criticisms to be made and they make this too a topical issue. However, the basic problem remains the stability of the executive and of government action, which is essential to planning in the economic field, for exerting authoritative influence and effective control over the public apparatus and for removing from a provisional, precarious and intermittent state the framework of actions aimed at tackling society's problems. Within this framework I would just like to mention the parliamentary secret ballot and the need to introduce open votes on bills. Those who are scandalized by this suggestion are not in good company. Many democratic traditions support our ideas.

In the fervor of the new Italy that was prepared in the debates of the Risorgimento, Mazzini and Garibaldi supporters and progressives all furiously opposed the conservatives and moderates so as to defend the idea of the open vote, as demanded by the deputies' loyalty and responsibility, at all times and in all public matters, toward the voters and the people.

In the constituent assembly the socialist representatives and Aldo Moro requested the elimination from the new constitution of the republic of the secret ballot introduced into Carlo Alberto's statute.

In the debate that has reopened on this point we agree with one of Mortati's most recent statements: "The republican constitution rightly eliminated the clause in Carlo Alberto's constitution which required a secret ballot for the final approval

of bills. But since tradition is slow to die, the lower house's regulations have retained the old clause with the result--highly edifying examples of which have recently been seen--of preventing the approval of bills on which full agreement has been obtained among the governing coalition parties."

"To accept that a few individuals, violating party discipline and without shouldering any responsibility, can impede the implementation of the majority's plan and cause government crises implies a retu - to the 19th century parliamentary system and a clear conflict with the different position that has been taking shape in the modern world."

Indeed, in the modern world in almost all the world parliaments the rule of open voting operates, except in Bulgaria and a few other minor states. Moreover this is the principle that has been established in most of Italy's regional legislative assemblies. The subject of the reform of public administrations does not need to be added to the agenda. It has been there for some time, though with varying results. There is a combination of problems on which directives have already been issued, parliamentary resolutions have been taken and initiatives and proposals worthy of the greatest attention have appeared. Particularly with regard to the reorganization of the public apparatus there is a tendency toward the fragmentation of interventions and alterations, which must be discouraged for the sake of maintaining a united and organized plan. There are problems regarding relations between the state and the regions and general reforms affecting local structures, which are among the most pressing and most keenly desired. There are reforms affecting the credit sector, the public enterprises system and the organization of cooperation, which have still to progress from the planning and proposals stage to the stage of realities. New reforms are also needed in the field of justice. They concern the penal codes and the overburdened structures of a task that cannot easily be performed under the present conditions regarding staff and inadequate means.

They concern a minimum degree of responsibility on the part of the judiciary, particularly the district attorney's office, which will ensure stronger ties with the bodies representing popular sovereignty. This is required first and foremost by the solemn constitutional assertion that "justice is administered on the people's behalf."

They concern the general improvement of the prestige, authoritativeness and security of a judiciary which has made and is still making a major contribution to the struggle against violence and which has paid one of the highest prices in the struggle against terrorism and every kind of crime and which must be protected from attacks and illegal pressures and manipulations and put in the best position to perform its basic duties of truth and justice. "Grand Reform" requires large-scale involvement and great political determination. It has not yet been demonstrated that this exists in the present political context. There is no insurmountable reason why it should not exist and in any case an assessment of the will of the political forces, of the real opportunities for convergence for the future development of increasingly demanding forms of cooperation will be necessary and cannot be postponed too long, and the PSI, for its part, will adopt a correct approach to the issue that must be broached, taking into account the responsibilities and tasks of what remains--no insignificant amount--of the republic's eight legislative term.

Many of our proposals, outlined as an introduction to a debate that will heed and respect people's opinions, have prompted interest, attention and support. Many of

the reactions that have emerged in the cultural field and political field demonstrate the validity and topicality of the issues raised, a very widespread demand and the existence of a crisis apparent to the sensitivities of the democratic forces. In connection with constitutional reform, naturally there have been pros and cons, but many different and even conflicting proposals have been made and a real willingness to proceed has apparently been emerging. Now it is a matter of drawing the threads together and proceeding to a more specific and more direct comparison of ideas. I cited the example of the committee of "75" not because we should repeat the experience of what was at the time a real constituent process, but to indicate the need for an official working forum for the political forces' representatives. In this connection we repeat our proposal for a committee of parliamentarians and experts to whom to assign the task, within a particular time limit, of working on all useful proposals, assessing the probabilities of agreement and doing the groundwork for the subsequent implementation of whatever decisions parliament decides to take in accordance with constitutional dictates.

We have no reason to change anything in our line on governability. It stems not so much from a commitment we have to the voters as from the simple observation that governability remains the basic condition for any remedial action and reform and from the responsibility, which it is difficult to evade, which devolves on us in this connection because of our decisive position in parliament.

At a time of acute crisis and unclear prospects, for which we are only partly responsible, we have promised a specific commitment to stability, governability, regeneration and reforms and we have moved consistently along this path.

The defense of our line on governability does not imply the defense of a government at any price, that is, even when it demonstrates its inability to provide an acceptable level of governability. Nor does the pursuit of this line preclude the possibility of every useful quest for solutions better adapted and better equipped to withstand the impact of the difficulties and to provide a higher level of governability. Nor does it mean that this stance must be deliberately directed against anybody, except those who demonstrate aims or want things that are profoundly different from what we want.

But I will come straight to the point. We have loyally supported and still loyally support the government headed by Forlani. This government alliance constitutes the most important expression of a resumption of direct cooperation with the DC within the context of the present four-party coalition. As far as we are concerned, it is not a general political alliance which extends automatically from the center to the periphery as at other times, since our local alliances take shape more flexibly, and in this field too we have honored and will continue to honor the commitments made to the voters both in leftwing administrations and elsewhere, but nevertheless it has created an important and necessary agreement.

This form of cooperation is valid if it manages to continue to produce government action equal to the situation, if it permits the implemen-ation of reforms that have been outlined and which are essential and if, in our opinion, it takes into account the issues and old and new demands that we have been putting forward and which we will continue to put forward in decisive areas of state, economic and social life.

Of course this situation can be modified, but only in relation to a definite alternative supported by the political forces and whose chances of realization have been verified. The communist comrades are forcefully raising the issue of moving on from the present situation and of the present government's resignation. Already on a previous occasion, when they judged the Cossiga Government "dangerous," they insisted on a "different" kind of government. The Forlani Government, which followed on from Cossiga, at grips with extraordinary and unforseen events and difficulties, was immediately put in the dock--indeed, almost from the very outset it has been on trial and was expected to pack its bags even before they had been unpacked.

Nobody is irreplaceable, but everyone has a legitimate right and duty to know the nature of the alternative proposal, not only as far as its objectives are concerned, but also in relation to the framework of political forces and the state of their relations and therefore the specific possibility of establishing a new government and a new parliamentary majority to support it. Otherwise, as experience teaches us, if not even the most basic plans for an alternative solution--other than the vaguest--exist, the government will fall and the legislative term will end. This kind of solution is entirely contrary to our position, which is known, and to our commitments to the voters, which are equally well known, and is, as far as we are concerned, dangerous and futile.

It should be added that the political forces, starting with ourselves, are unlikely to declare themselves willing to accept an invitation that has sometimes sounded like an appeal, but other times like a threat or an ultimatum, whereas we will never refuse to discuss policy and political alternatives in an orderly and constructive manner.

We therefore rule out the idea of a blind crisis. This has been our position in the past and it is our position now. As far as we are concerned, we do not in the least rule out our willingness to study in depth the issue that is being raised, proceeding from the analysis of the critical arguments being put forwrad and the proposed approaches being advocated, in order to assess whether there are any pointers to solutions that are really feasible, acceptable and based on real political relations.

We are the first to want to discuss the present problems and the prospects of the eighth legislative term, though standing firm, under present conditions, on our commitments to the majority to which we belong and to a government of which we are fully responsible members. In this crucial and difficult situation, which is deteriorating, there are many fields in which an elucidation of intents and a convergence of objectives among the country's progressive forces could be very useful, even if the results were only within the context of partial and limited possibilities. Just as in general we note the dangers of a major radicalization of the political struggle, we are even more acutely aware of the dangers of excessive strife between the major leftwing parties. I do not want to recount the history of the responsibilities for this, which would cause me to make a lengthy digression. I will merely point out that there have been some pointless polemics and other polemics both useful and necessary for everyone. Nevertheless, I believe that the path of the exacerbation and ruptures is always dangerous.

The policy of ruptures causes successions of ruptures and in any case we have seen evidence of it. Diversities do exist, but so too does the resolute determination of both parties to maintain their full autonomy and the full integrity of their options and of their respective assumptions of responsibility. But all this does not exempt us from the duty to respectfully and carefully examine--as the Communists did in authoritative stances adopted in relation to our congress debate--the lines along which points of convergence can be established and the best way of rendering an important political service to the labor world, of which both parties are an essential part.

With regard to more general aspects of a leftwing strategy, we presented our beliefs frankly in the "Theses," which the congress has espoused with very broad support. In them we proceeded from the observation that "the basic issue as far as the socialists are concerned remains that of relations and of a historical and future elucidation with the PCI." "The approach to a strategic guideline for the Italian left," the "Theses" state, "depend to a large extent on the Italian Communists' willingness to begin a bold assessment of history--all the more necessary for a party that has managed to secure representation of such a broad sector of the Italian labor world and electorate--to complete an ideological and structural revision for which the preconditions are not lacking and to make a clear option for western-style socialism and for a principled demarcation with respect to communist experiences, with a clear affirmation of the irreconcilability of so-called real socialism with the premises and principles on which a democratic and socialist alternative can be founded in our country and throughout Western Europe."

"The time is ripe, and has been ripe for some time," the Theses continue. "The complexity and difficulty of such a revision process is recognized by the Italian socialists' analysis. It is not a matter of making abjurations or of eliminating historical experiences, which had their justification, their significance and their importance in the historical context in which they took shape.

"It is a matter of making a critical evaluation, the kind of revision demanded by the present conditions of the democratic and socialist struggle, an analysis of the prospects of the Italian left and of the profound changes that have taken place on the international plane and of the different value of internationalism, independence, freedom and progress of the working classes, in relation to the original solidarity with the USSR." With regard to the "Theses" I can only reassert the hope expressed in them that it will be possible to "restore a constructive climate, despite the existence of different positions in the parliamentary context between the two major leftwing parties." We approach cooperation with the DC without any particular fears and without any complexes. We hope that the DC's conduct toward us have the same motivation. The DC is acquainted with the nature of our cooperation and also with the honesty of our conduct. The socialist congress will pose primarily to the party of the relative majority the problems of a far-reaching reform process which must, we believe, characterize the work of the democratic forces during the eighth legislative term.

All this cannot fail to take the form of an assessment of our political relations and of the possibilities of developing our cooperation, which would otherwise risk becoming sterile, on the basis of the simple reasoning of necessity.

Unless under an obligation to do so, we have never posed, and do not now pose, to the DC the issue of alternation in the prime ministership, with which politicians and political observers are so feverishly concerned--not because we believe that the issue lies in the realm of impossibilities, but because we believe that a subject of this kind must be treated not with the yardstick of partisan prejudices but with the yardstick of the country's objective interests in a particular situation.

Back at the Turin Congress, in the "socialist blueprint," analyzing the varying and difficult relations with the DC, we introduced the theme of the relationship that is established among different forces in democratic life and in our pluralist and multiparty system and that can be situated along an axis of cooperation-com-rivalry which defines the useful and possible scope for rapprochement and at best also achieves that which it is possible to achieve.

We see certain clear difficulties within the DC, which derive from an uninterrupted 30-year span of power, from the consequent factors of erosion and ffom an excessively long identification with the state, which is now being challenged on many sides.

It would be unrealistic not to bear this in mind and to assess it. We hope that the DC too will carry out a broad regeneration process. However, we are not setting ourselves up as demiurges, still less as arbiters of what belongs to other peoples sphere of responsibility and to a tradition so different from ours. The hope that the PSI expresses in its congress "Theses" is that "the democratic foundation and aspirations to regeneration and social equality deep-rooted in the more advanced Catholic political traditions can find adequate and consistent political expressions that will nurture the possibility of rapprochement, dialogue and constructive cooperation for the good of the country, with the reformist aims and plans that inspire and define the socialists' action."

A new course of relations based on a general agreement has had a positive effect by strengthening PSI-Italian Social Democratic (PSDI) party cooperation. This is based on broad agreements in domestic and foreign policy, on shared membership of the Socialist International and the European Socialist Group and on broader cooperation in administration and also on a greater unity of approach in this context.

This understanding has made it possible to eliminate all substantial conflicts between the parties, and while safeguarding the identities and autonomy of the two political forces which invoke shared original traditions and shared principles, provides an opportunity for a further evolution toward even closer forms of alliance.

It is difficult tests that demonstrate the value of relations among individuals as well as among parties. I believe that there will be no lack of difficult tests and that they will demand a shared commitment from both parties, close solidarity and coordination in their decisions and options. On the basis of experience, both parties--the PSI and PSI--do not consider useful an outlook based on a unification approach, though if we proceed gradually and establish favorable conditions, one certainly cannot rule out the possibility of more binding forms of political alliance and even federated forms between the two forces, which declare with conviction that they no longer want to return to the path of conflicts and splits.

We have perhaps been too optimistic in our approach to the hypothesis of a more systematic and comprehensive convergence with the radical party, which, on account of

its origins, composition and approaches, is active within a liberal radical-socialist context.

We have also had to take note of differences of approach and method, which could not have been dismissed. Nevertheless, our relations remain based on friendship and the willingness to assess in which directions and for what objectives understandings and joint actions can be established. There has been no lack of difficulties in relations with the Republican friends: old incomprehensions and old mistrusts and in some cases real and profound differences of approach have reemerged, but the line of cooperation within the context of government commitments and of a continuous quest for convergence in resolving political, economic and, I would add, institutional, problems has always prevailed, and we believe must always prevail.

In a few weeks' time the PRI will be holding an important congress, which we will follow with the utmost attention and interests, hoping to see clear confirmation and positive elaboration of the line that has, on the whole, permitted a substantial improvement in relations between republicans and socialists and the development of their cooperation.

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STEEN PULLS OUT OF CONTEST WITH BRUNDTLAND AT LABOR CONGRESS

Brundtland Buoyed by Support

Oslo ARBEIDERBLADET in Norwegian 13 Mar 81 p 9

[Interview with Gro Harlem Brundtland by Nils Ottar Aak and Terje Pedersen]

[Text] The reason why Gro Harlem Brundtland is so popular is first of all that she dares to be herself and she shows respect for others. When she receives a question that she does not have a good answer for she is honest about it and says that she knows nothing about it, but she will find out. When, on the other hand, she is proven to be right, she is firm and assertive. She also has the ability to listen to people. And then she has charm. People just simply like her!

These are the kinds of answers that ARBEIDERBLADET received among people who shwed up in order to meet the Prime Minister during her 3-day tour in Telemark and Aust-Agder. The tour was finished yesterday and showed that she is more popular than ever also among these people. Some of these were, however, disappointed, but that was because they had to go home without getting to see or hear her. The meeting places were too small to have room for everybody who showed up.

[Question] How do you yourself feel about the homage that you are receiving, Gro Harlem Brundtland?

[Answer] "It is naturally very nice for me as a person. And when so many people show up I take it as a positive sign on behalf of the Labor Party and its government. That gives me a good feeling half a year before the election."

[Question] "During your visit at the School of Skien a teacher, who is also the chairman of the conservative association of Porsgrunn, hinted that you used your position as a prime minister to pursue politics in front of the students.

[Answer] "He said two different things. First he praised my speech. Besides I cannot understand that there would be something wrong in having students meet politicians. Politics should not be perceived as something suspicious. Students are also concerned with the politicial decisions made.

[Question] "Was this an election campaign tour or was it the Prime Minister who went out to get to know the people and their conditions better in the two populations?"

[Answer] "It is misleading to say that it was an election campaign. Also, when I was the Minister of Environmental Protection I used to go out on combined surveys and trips in order to see different kinds of environments. I consider that to be one of the duties of a prime minister in order to get a better idea of the local communities around the country. It is in this context I made this tour."

[Question] "You had set up a demanding schedule with appointments from the early morning until late afternoon. You do not save your strength?"

[Answer] "That is not my style. Ever since I was a girl I have been very involved in all that I do. But it is demanding and at the same time very rewarding when you feel that what you do is meaningful. I do, however, try to get at least 7 hours sleep each night. That is important. If you do not you tend to be tired and get into a bad mood. A good mood is important also for a politicians, as well as a sense of humor. And that requires enough sleep."

[Question] "You find it very important to include the groups in the discussion. Do you prefer that to giving speeches?"

[Answer] "Yes, I like to establish contacts with people. People should have the opportunity to question the politicians instead of us just talking. I have been thinking a lot about how the meetings proceed and how they could be made better. One can, for example, start a meeting by letting the group present questions. That way it is easier to start a two-way contact which in my opinion is important. The meetings also thus get more energetic.

[Question] "Since you encourage the people attending to ask about all kinds of things, you must also get a lot of difficult questions?"

[Answer] "Yes, that is clear, but then you have to say that you do not know when you are not able to give a good answer. One must not underestimate people, but speak right out.

[Question] "It has been noticed that you note all the questions that you receive into a book. Why?"

[Answer] "That is something that I started to do several years ago. I guess I did it because I like to be able to go back and see what people are asking about. The reason I use a spiral notebook instead of a piece of paper is to have a better system.

[Question] "Maybe you have also started to think about your memoirs?"

[Answer] "No, that is not the reason. I like to have a steady hold and therefore I think it is a good idea to gather the questions in a book. I also have two notebooks with such notes on pieces of paper.

[Question] "It is known that several people are writing books about you."

[Answer] "Yes, I am aware that something is going on."

Brundtland on Disarmament Policy

Oslo AFTENPOSTEN in Norwegian 3 Apr 81 p 3

[Text] "We are going to win the election!" Prime Minister Gro Harlem Brundtland promises election victory to the Labor Congress when she, shortly after Reiulf Steen's dramatic declaration to resign yesterday at the Labor Congress, presented the main political strategy for the election campaign. She did not make a list of promises to the voters but she wanted to invest in a collected workers movement, the contribution of thousands of people in the battle to gain leadership for the next 4 years. And she puts her trust in the politics of the 1970's. But she wants to promise one thing: The government will contact the oil companies in order to ensure that the price of gasoline will remain the same until the end of the year.

"We will win the election, because we are openly and honestly presenting the problems and our solutions to them. Unlike some others we cannot promise tax reductions. We cannot promise a rapid increase in the standard of living. But we will promise the voters that we will solve the problems so that we are securing work for everybody, maintaining our social standard and strengthening the position of the weakest groups."

For the Prime Minister these three points are the challenge and the main message of the Labor Party before the elections this year.

"That is what is going to make us win the election, what this movement has in terms of strength and possibilities for action. We have wind in the sails, fellow party members! Let us make use of that in order to enter the fray!" That was the Prime Minister's appeal for the Labor Congress.

The Labor Party will thus have an election campaign of few promises. But the Prime Minister thus made the promise that the government will strive to maintain the price of gasoline without changes until the end of the year. But according to the Prime Minister no cost reductions are to be expected in this area. That would, according to the Prime Minister, mean that other taxes would have to be increased correspondingly or public expenses would have to be cut down. She does, however, confirm that the government is working on a proposal for increased deductions for driving expenses; among other things for work travel, transport to day care centers, babysitters and for the handicapped.

Gro Harlem Brundtland wants to face the economic situation of the country for the next few years in a realistic way. There will not be any large increase in private consumption, not much growth in public consumption. There are not going to be many reforms. The Prime Minister mentioned especially the health and social sector and states that the reforms will not be numerous in this sector either. "But the strategy that we have will mean a new situation for groups that are in a weak position. The increase in our social and health expenses will above all take place within the care of the elderly." Gro Harlem Brundtland mentioned Norway's possibilities to have an effect on the disarmament efforts: "Our most important contribution to the slackening of tension is stability, peace and confidence in our own areas. That way the population will be well informed and,

also in this area, be able to take a standpoint on the current decisions based on skilled knowledge. We will therefore have an open debate about foreign policies and security policies. Those who have continuously been looking for a debate-free zone in the political landscape will not have their dream come true. Debate and democracy are two sides of the same thing."

"The disappointing Labor Party policies," put within quotation marks by the Prime Minister herself, was commented on in the following way in the political speech at the Labor congress. It is possible that this is effective polemics, but it is poor history. For what are the facts? The welfare state built up by the Gerhardsen governments was in the 1970's established and deepened by the Bratteli and Nordli governments. The 1970's was one of the greatest decades of our history. While the rest of Europe went into a labor crisis employment in Norway in the 1970's increased by a quarter million. The average growth of this decade was more rapid than in any other decade of the century.

And according to the Prime Minister the "evidence" that confirms the establishing of the welfare state was the following:

-New education laws were assumed.

-The environmental protection policy had its breakthrough.

-The work environment law and the law for sick leave coverage came into effect.

-The order for housing support for retired people was established.

-The pensions were raised.

-Equality laws were promoted.

-The law about the individual's right to have an abortion came into effect.

"Is this disappointing policy?" was the question and the answer at the Labor congress.

Party Majority: Program Outdated

Oslo AFTENPOSTEN in Norwegian 3 Apr 81 p 2

[Text] The basic philosophy is not suited to meet the challenges of the 1980's according to a majority of those who responded to an opinion poll that is made public in VG [Verdens gang].

52 percent of the interviewed answer that the basic philosophy of the Labor Party is barely progressive, while 43 percent state that ti is suited to meet the challenges of the 1980's.

The opinion poll is based on interviews of 1,005 individuals and it was performed by the Norwegian Opinion Institute in February. The interviewees were asked to check off a list with a scale of numbers from 1 to 6.

The questions were: Is the basic philosophy of the Labor Party suited to meet the challenges of the 1980's? Is it your opinion that the Labor Party is a socialist party or is it your opinion that the party is not socialist enough?

Among the Labor Party voters 79 percent were of the opinion that the party is very well suited to meet the 1980's. Seventeen percent were of the opinion that the Labor Party's basic philosophy is not well suited.

Among the voters of the Conservative Party, 15 percent had a positive view of the Labor Party politics, while as much as 83 percent think that the party is not progressive enough. Among the voters of the Liberal Party 27 percent had a positive view of the politics of the Labor Party.

Among the voters of the Socialist Party of the Left, 57 percent answer that the Labor Party politics ought to be more progressive. Forty percent answered that the fundamental philosophy of the Labor Party is well suited to meet the challenges of the 1980's.

Paper on Steen's Withdrawal

Oslo AFTENPOSTEN in Norwegian 3 Apr 81 p 2

[Editorial: "Steen's Declaration"]

[Text] It is characteristic of the atmosphere within the leading group of the Labor Party that the party chairman did not find reason to mention a word about the historic fact that since the previous Labor congress Norway had elected its first woman prime minister and, in reality, the foremost leader of the Labor Party. It was a speech that literally resounded with contradictions and lack of trust, the way we have recently experienced the agonizing inner battle over the leadership. The chairman did not expressly state to whom his aggressive outburst was directed, but that was rather unnecessary. Everybody understood that the addressee was Gro Harlem Brundtland. This remarkable opening contributed to the dramatic effect when Reiulf Steen, in immediate succession to his speech, asked the congress to not consider him as a candidate for chairman of the Norwegian Labor Party. After referring to the statements made repeatedly by Gro Harlem Brundtland that the Prime Ministership and the charimanship as a rule should be handled by the same person, Steen claimed that it was with deepest sincerity that he expressed the following: "It would be against all my instincts that my person would give impulses to schisms and arguments within the party. It is my serious conviction that an individual must not stand in the way for a unifying solution."

Regardless of what would have happened before this dramatic declaration, most political observers would agree that Reiulf Steen made a wise decision when he announced his standpoint at the opening of the Labor congress.

Without such a declaration there was an obvious risk that the battle over the charimanship would have broken up the Labor congress, which would have had serious consequences for the party only a few months before the conculsive Storting election. With his declaration, worthy of a chairman, Reiulf Steen himself had contributed to make the congress of the Labor Party a unified

manifestation despite all latent oppositions in central political matters. The Labor Party wants to use "courage" and new ideas to shape a policy for the solution of problems of our time--problems that have become increasingly serious the longer this party has been in charge of the government. If this new political courage will bring results corresponding to the change that the Labor Party has accomplished within security politics we are undeniably headed toward some interesting times. There is reason to notice that the Labor Party chairman, in his opening speech, yesterday, mentioned "the military hawks of both Washington and Moscow," as if the largest and most important allies of Norway can be considered equal to the communists in power. That is how far the landslide and the confusion of issues have gone in the political party that is still the largest one of our country.

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ALVARO CUNHAL ADDRESS TO PCP 60TH ANNIVERSARY MEETING

Lisbon AVANTE in Portuguese 12 Mar 81 (Supplement) pp 3-15

[Excerpts from 7 March 81 address by PCP Secretary General Alvaro Cunhal, at Campo Pequeno, on 60th anniversary of PCP founding]

[Excerpts] Comrades:

We are gathered here today to commemorate a great event: the founding of the Portuguese Communist Party [PCP].

The PCP will continue along the glorious path that it initiated 60 years ago, on 6 March 1921.

1. 60 Years of Struggle

2. Before and After 25 April: a Single History

3. Vanguard Working Class Party Inseparable From the Masses

Throughout its history, before and after 25 April, the PCP has always asserted itself as a party of the working class, through its program, its objectives, its ideology and its forms of organization and struggle. And it has also asserted itself as a party of the working class by protecting the interests of all the workers, the farmers, the intellectuals, the technical cadres and the rural and urban petite bourgeoisie.

We do not go along with certain theoreticians who, in order to dispute the vanguard role of the working class, claim that intellectuals and students belong to the working class and since (according to them) they constitute the most conscious sector of the working class, they are for this very reason the vanguard of the revolution. The vanguard of the revolution is the working class, and this holds true as much in the capitalist countries as it does in the socialist countries.

The intellectuals become affiliated with the party out of altruism for the cause of liberating the working class. The communist intellectuals, who have distinguished themselves as much through their merit as intellectuals as through their merit as militants, do not feel that they are discriminated against because they have a party leadership composed mainly of workers; because it was not a social democratic party that they joined, but rather the revolutionary vanguard of the workers.

The working-class nature, and the class policy and positions of our party, are not to the liking of the reactionary forces and opportunists of all stripes. That is why they are always dreaming up crises and tendencies leading to a replacement of the strong class leadership with a leadership which, more susceptible to the ideological influences of the bourgeoisie, would dissociate the party from its revolutionary policy.

Now they are contriving an "internal crisis," "serious tensions" and tendencies in our party wherein there supposedly are, on the one hand, "old workers" and "orthodox types," and, on the other, "young Turks" and even others of an intellectual background who are more or less "pragmatic."

Those gentlemen should not delude themselves with the stories that they contrive. The PCP will continue to be the party of the working class and of all the workers, and will consider, as a "golden rule," the "worker majority" in its leadership organs which, moreover, is related to the large worker majority that exists in the party's ranks.

There are splendid comrades, many of them in the party leadership, who are from the most diverse social backgrounds. No discrimination is made regarding them. But historical experience has proven that the worker majority in the leadership is a strong guarantee of a correct policy line, of proper action and of ideological steadfastness.

The reactionaries should not be deluded by the fact that many of our prestigious "old workers" are getting along in years.

On the one hand, they still have a great deal to offer the party. On the other hand, we are, and we shall be taking steps to insure that the "old workers" are succeeded by "new workers" being trained and promoted day by day in the critical class struggle which we are waging.

4. The Communists' Unlimited Dedication

5. Unity, Democracy, Work Style

Our party's unity has deep roots: the class nature and education of the party; the ideological principles; the correctness of the policy line which events have proven; the Central Committee's link with the entire party and that of the various organizations with the respective rank and file; the authority gained and acknowledged through work, and not so much because of the position that is held; the habit of respecting, but never flattering the leaders; the internal democracy as a natural way of living and acting; the collective work wherein there is individual responsibility; the respect for the opinion of the militants, and the participation of all in the decision-making; the fraternal criticism, and mutual respect; the dignification of the most humble tasks; discipline as a voluntary practice and a habit of acting and living; and the equality of rights and obligations among all those who constitute the edifying political reality which is our great and glorious party.

6. Marxism-Leninism, Firmness of Principles, Creative Spirit

Since its founding, throughout its 60 years of activity, our party has always claimed to have Marxism-Leninism as its ideology.

Some critics and detractors of our party maintain that this ideological nature represents immobility, dogmatism and dissociation from realities.

The fact is that Marxism-Leninism is precisely the opposite of dogmatism and immobility. It is not a petrified body of concepts, but a living theory, which is being constantly enhanced by the new realities and experiences. It does not crystallize the opinions and ideas, but is rather a sound instrument enabling a party to learn, examine and interpret the new situations and new phenomena, and to establish a corresponding proper orientation.

While the reformists of all types, attempting to claim to be innovators, repeat old cliches, old formulas and old prescriptions, our party, with Marxism-Leninism in its arsenal, examines the realities, observes the new phenomena, finds new solutions and devises new paths.

The PCP program approved at the Sixth Congress in 1965 (the last congress held in the clandestine period) is an assertion of how Marxism-Leninism gives a party the necessary tools for an analysis of the reality and a creative determination of the tasks and the prospects.

The Portuguese revolution, in its dynamics, in its evolution, in its accomplishments, and in the indissoluble link between the conquest of political democracy and the liquidation of the political and economic power of the monopolies (partners of imperialism) and of the large estate owners, has completely confirmed our party's program.

Marxism-Leninism gave our party the political skill which enabled it, at the time of the dictatorship, to be the only great party to find political, organizational and tactical responses for the concrete situations; so that the PCP was really the only great party of antifascist resistance. And it enabled it, in the Portuguese revolution, to discover specific aspects and specific solutions to diverse situations, and to be the only great party with a real role in the historic transformation of the socioeconomic structures, and in the steps taken in the direction of an economic and social democracy, concurrently with the steps taken to establish a political democracy.

Marxism-Leninism does not limit, stifle or destroy, but rather stimulates, informs and enhances the theoretical imagination and creative political ability.

Therefore, while the policy of other parties is translated into cliches, old capitalist prescriptions and flowery language to conceal old concepts, the PCP's policy is a living, open policy, directed toward the progressive transformation of the society.

While other parties give the image of internal deterioration and disintegration, the PCP, united in political thought and action, is directed daringly toward the future.

Today, half a century later, the ideologues of reaction and reformism are attempting to separate Marx and Lenin.

For example, we all remember that the secretary general of the PS [Socialist Party] claimed that what separated it from the communists was not Marx, but Lenin.

The fact is that, if the PS did not learn anything from Lenin, it learned little from Marx also. In its 1974 program, the PS was still claiming itself to be "of Marxist inspiration." But we would all agree to admit now that it does not even have an air of "Marxism."

The fact is that, by rejecting Lenin one abandons Marx; because, during the era of imperialism (which did not yet exist in Marx's time), during the era of the transition from capitalism to socialism begun by the October Revolution of 17, one cannot be a Leninist without being a Marxist, nor a Marxist without being a Leninist.

The reactionary forces and reformists are not pleased that the PCP is the party that it really is.

They attack our party because of the fact that it has not become what they term the "new trend in the communist movement," concretely, the one called "Eurocommunism."

Comrades, I believe that we would all agree on the statement that, if the big capitalists and reactionaries are so concerned about the PCP's becoming converted to "Eurocommunism," it is because they do not like the PCP as it is, and because that conversion would certainly cater to the interests of big capital and of the reactionaries, not the interests of the workers.

Let the reactionaries give up the idea. The PCP will continue to be the party of the working class, a Marxist-Leninist party, a party which, in its struggle for democracy, has never lost sight of the goal of socialism and communism.

The PCP will not be what the reactionaries and opportunists would like it to be, but rather what the Portuguese communists want it to be.

7. Patriotic and Internationalist Party

At the present time, we are struggling against the AD [Democratic Alliance] government's subjugation to the most militarist circles of the United States, against Portugal's increased commitment to NATO, and for a diversification of foreign relations in order to guarantee our national independence.

No, we shall not yield to imperialism. We do not accept its economic domination, much less its political domination of Portugal.

For example, we do not accept the claim by the reactionary forces and certain reformists that the communists in Portugal cannot belong to the government, because the imperialist countries, specifically the United States and the NATO countries, would not agree to it.

We do not accept that attitude of capitulation. National independence is affirmed primarily by the fact that a country decides for itself on its system and its government. We firmly maintain that, in Portugal, the one who should decide is the Portuguese people. And therefore we trust that the communists will become members of the Portuguese Government when the Portuguese people so decide.

Patriotic party that we are, we are and shall continue to be, simultaneously, an internationalist party.

We have never yielded to persecution and the most cruel repression, nor to the most diverse pressure. During the most difficult periods of fascism, we have always staunchly maintained our internationalist position.

The reactionaries have shown themselves to be annoyed and nervous about the magnificent relations that exist between the PCP and the revolutionary parties of the former Portuguese colonies.

In fact, as opposed to the limited and uncertain relations between the AD government and those countries, there are relations marked by fraternal friendship and cooperations between the PCP and the MPLA [Popular Movement for the Liberation of Angola], FRELIMO [Mozambique Liberation Front], PAIGC [African Independence Party of Guinea-Bissau and Cape Verde] and MLSTP [Movement for the Liberation of Sao Tome and Principe]. But those relations are a valuable contribution to the improvement and development of relations between Portugal and the new African states.

The correctness of our policy and the detrimental consequences to the country of the policy of the reactionary parties have been proven.

It would appear that the reactionaries were also annoyed and nervous because our party was represented at the 26th Congress of the CPSU [Communist Party of the Soviet Union], and at it asserted its fraternal friendship for the CPSU and for the other revolutionary forces in the world.

The reactionaries and opportunists of all hues call that position of ours "fidelity to Moscow," and "unconditional support for the Soviet Union." And they claim in a chorus that a communist party can prove that it is "independent" only by participating, in one way or another, in an anti-Soviet campaign.

But the truth is that a party which yields to such ideological pressure forfeits its independence by that very action.

Our party assumes internationalist positions at its own decision, without any external interference or pressure. On the basis of our sovereign decision, we continue to be an internationalist party of solidarity and friendship with all the forces of human progress: the USSR and other socialist countries, the workers movement in the capitalist countries, the national liberation movement, and the new independent, progressive countries.

Our class independence, our ideological independence and our decision-making independence has been established precisely by the fact that we do not yield to the pressure from enemies or allies, and we firmly maintain our positions based on principle.

8. The Glorious Past in the Present and Future

At the present time, only our party is in a position to lead the struggle in defense of the democratic regime and the Constitution.

The reactionaries suffered a resounding defeat in the presidential elections of 7 December. Their subversive plan that was supposed to culminate in the election of Soares Carneiro failed. The imminent threat hovering over democracy was dispelled. Having equated Ramalho Eanes' possible election with a defeat for AD and for its government, throughout its entire election campaign, AD itself converted the defeat of its candidate for the presidency into a defeat for the AD government and for the AD majority in the Assembly of the Republic. The results of 7 December proved that AD had lost the social, political and electoral support which (using undemocratic methods) it had gained on 5 October. To some extent, the presidential elections rectified the results of the legislative elections.

But the dangers to democracy still persist. The Balsemao government is the perpetuation (under the new conditions of the AD defeat) of the Sa Carneiro/Freitas do Amaral government. The illegal and criminal offensive against agrarian reform has already resumed. The offensive against the nationalizations has already started again. The rate of capitalist, large estate and imperialist recovery has now been hastened. New measures have now been announced exacerbating the living conditions of the workers and all the most underprivileged classes and strata. New destabilizing maneuvers are now under way. New plans are being detailed for an unconstitutional revision of the Constitution. Stress is now being placed again on the foreign policy of cold war, hostility toward the socialist countries, submission to imperialism, and converting Portugal into a base for atomic weapons, subjecting it, in the event of war, to a complete destruction, accompanied by the physical annihilation of the Portuguese people.

It is in the vital interest of our people and our country to put an end to this policy, and, for this purpose, it is in the vital interest of our people and our country that the Viana Balsemao government be ousted as quickly as possible, and that a democratic government be formed to replace it.

The PCP is the only party in a position to foster the unity of the workers and the democrats, and to lead the struggle to attain these goals.

The PCP has a consistent policy for emerging from the economic crisis on the basis of the democratic changes of the April revolution (nationalizations, agrarian reform, control of management by the workers).

The PCP has a consistent policy for improving the economic and social situation of the workers and the middle classes (wages, cost of living, unemployment, housing, health, education), as well as of the most underprivileged sectors, such as retirees and the disabled.

The PCP is consistently struggling in the defense of agrarian reform, absolutely convinced that the elimination of the large estates is an economic and social necessity, and also subjectively and absolutely convinced that, whatever the irregularities in the process may be, agrarian reform will eventually be totally accomplished, with the elimination of all the large estates and the turnover of the land to those who work it.

The PCP consistently protects the interests of the small and medium-sized farmers and tenant farmers, as well as of the small and medium-sized businessmen and manufacturers.

The PCP is consistently struggling to have democracy upheld in the news media, because the time has come to put an end to the AD monopoly, and to the slander and lies converted into propaganda weapons.

The PCP is consistently struggling to have the unconstitutional, illegal measures of recent governments abrogated, the land and goods which were stolen returned, and the damage repaired.

The PCP has a policy that is consistently opposed to the governmentalizing and partisanizing of the Armed Forces, with the Armed Forces subjected to a "single boss" (the AD government), as Freitas do Amaral demands, one that advocates the Armed Forces' performance of the constitutional duty of defending democracy and national independence.

The PCP consistently defends a foreign policy of peace, friendship and cooperation with all the peoples of the world, which is completely in harmony with the interests of national independence, territorial integrity and the security of the Portuguese people.

The PCP consistently defends the institutions, the democratic operation of the organs of sovereignty and the autonomy of the local government.

The PCP consistently defends the Constitution.

The PCP is a party which does not merely demand that others solve the national problems, but rather attempts itself to solve them directly, and proposes itself effective measures for solving them.

Experience itself has confirmed our claim that the PCP is not only a necessary party, but also an indispensable and irreplaceable party in Portuguese democracy.

Experience itself has confirmed that the national problems are solved with the workers and with the communists, and never against the workers and against the communists.

Considering a more distant future, only the PCP is in a position to be the decisive political force in the progressive evolution of the Portuguese society, and in the continuation of democracy heading toward socialism.

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BACKGROUND, FUTURE PROSPECTS OF FRG ARMS EXPORTS

Bonn WEHRTECHNIK in German Apr 81 pp 14, 16

[Article by Dr Eckehart Ehrenberg: "German Arms Exports--Analysis and Prospects"]

[Text] The FRG's arms export policy, which has been rather played down so far, has gotten itself caught in a deadend street: in the light of economic and political considerations, which are difficult to fathom, there is a growing gap between demand and reality in the federal government's export decisions. Dr. Eckehart Ehrenberg in his study entitled "Der deutsche Ruestungsexport" [German Arms Exports], published by Bernard & Graefe, attempts to illustrate this situation and its rather worrisome consequences in critical terms, to analyze the legal, economic, and political aspects of this explosive topic, and the subject the official decision guidelines to fundamental critique. Above all, he proves that the hitherto central concept of "tension areas" is unsuitable as a decision-making criterion also from peace-policy viewpoints. WEHRTECHNIK is reprinting some chapters from that book to stimulate our readers.

Data and Facts

The much-cited data of the two institutions which regularly, at annual intervals, submit statistics on worldwide arms transfers--the American disarmament agency, ACDA, and the Swedish Institute of Peace Research, SIPRI--will serve as point of departure here. These data were illustrated in critical terms regarding their information content and were analyzed with a view to West Germany's export activities. In this process it was necessary to accept a certain time lag in terms of up-to-date statistics because the not exactly highly up to date ACDA data for 1978 were not published until we went to print and because SIPRI, in its 1980 Yearbook, did not show any specific data for 1979 but only gave cumulative figures for the entire decade of 1970-1979. Individual, more recent data, published by other sources, on the other hand are unfortunately entirely too specific and are not sufficiently comparable so that we were not able to use them as foundation for a broader analysis.

The statistics on arms exports from West Germany to the entire world as supplied by the U.S. Arms Control and Disarmament Agency (ACDA) pertain not only to "heavy

weapons", at constant prices, that is to say, real prices, they also reveal considerable increases since the sixties. To achieve some kind of equalization for the severe annual fluctuations which conceal the trend, without at the same time leveling them off through excessively long reference time frames, we might, as a compromise, first of all give here average annual export volume figures related in each case to a particular 3-year term:

1967-69	130 million	1975 dollars per year
1975-77	580 million	1975 dollars per year

The transfer level, indicated by these figures, went up by 350 percent since the end of the sixties. If we now also look at the development of annual exports during the three-year period of 1975-1977, we do not detect any upward or downward movement within that period, such as we had it in earlier years, but rather a steady rise from 410 million 1975 dollars (1975) to 710 million 1975 dollars (1977). While the export volume during 1975 had happened once before in 1972, the figures for 1976 (610 million 1975 dollars) and 1977 have never been reached during any year in the history of West German arms exports nor have they even been topped.

We get a somewhat different picture if we use the SIPRI statistics as basis; they apply only to shipments of heavy weapons to the Third World:

1967-69	11 million	1975 dollars per year
1975-77	120 million	1975 dollars per year

These figures are considerably lower but they rose relatively much more (up 990 percent!!) so that, during the last 3-year period, the share of heavy weapons shipments to the Third World out of total arms exports (using the ACDA definition) were higher than during the first one, that is to say, 21 percent (1975-1977) as against 8.5 percent (1967-1969).

If we look at the values during the individual years of the 1975-1977 3-year period, we get, in case of heavy weapons shipments to the Third World, according to SIPRI, just as steady a decline since 1975 as we had a steady increase for overall arms exports. This decline is taking place on a level that is dramatically higher when compared to the end of the sixties, but it is absolutely clear: from 140 million 1975 dollars (1975) to 101 million 1975 dollars (1977) and then up to 80 million 1975 dollars (1978).

Concerning the cumulative total exports, looking at the first year considered here, that is, 1967 (1 January 1967 = 0), and going up to and including 1977, armament worth a total of 3.3 billion 1975 dollars was exported from FRG, including heavy weapons going to the Third World worth 580 million 1975 dollars, corresponding to 18 percent.

More than half of the cumulative 1967-1977 arms exports were transacted during the last 3 years of that period of time. In the case of heavy weapons shipments going to the Third World, almost two-thirds (64 percent) of all shipments made during the period of 1967-1977 were actually during the period of 1975-1977.

Finally we might look at the share of the arms exports out of the FRG's total exports. That share in 1967-1969 averaged 0.14 percent and in 1975-1977 it was 0.50 percent. Arms exports thus clearly grew much more than total exports. That also applies to the individual years of the 3-year period of 1975-1977 when the share rose steadily from 0.47 percent in 1975 to 0.68 percent in 1977. But it is still low and, in spite of the definite increase since the end of the sixties (up 76 percent), did not increase to the extent that the absolute figures of arms exports did.

A breakdown of arms exports by West Germany for NATO countries and [illegible] countries, on the one hand, and miscellaneous countries, on the other hand, is interesting here. Because the ACDA data do not show any arms exports to [illegible] non-NATO or non-equivalent countries and not to South Africa either (which, according to ACDA is considered a developed country), the period of time contemplated, regarding the "miscellaneous" countries, exclusively involves developing countries in the Third World. Here is the breakdown of exports:

NATO countries and equivalent countries: 80 percent,

Developing countries in the Third World: 20 percent.

During the 3-year period of 1975-1977, in other words, more than one-fifth of arms exports from the FRG went to developing countries in the Third World which, according to the "political principles" of the federal government of 1971, really should get neither weapons of war, nor miscellaneous armament. The distribution of these shipments (= 100 percent) over the major regions of the Third World looks something like this:

Near East, Middle East	44% (71 millions $)
Africa	27% (42.5 millions $)
Latin America	23% (36.5 millions $)
East Asia	3.1% (80 millions $)
South Asia	1.3% (2.0 millions $)

Medium-term Analysis of Export Opportunities for Civilian and Military Products

Capacity increases in the arms industry guarantee economic activity in the sector that we have a sufficiently steady, if not growing demand at least in medium-range terms. Assuming that other industries will higher [illegible] value are not implicated, we might even expect economic growth. Combined with the development of economic activities depending upon the degree of productivity--we also have a corresponding guarantee for and increase in the number of jobs. These are the points by which the expansion of the arms industry does not differ from the situation in the other industries. The decisive aspect in analyzing the economic [illegible] of an expansion in arms exports is the estimate regarding the demand and the competitive situation.

The situation of a series of export-oriented industries that [illegible] not also other civilian industries (for example, the textile industry) is characterized by the fact that their deliveries in the capital goods sector [illegible] are usually, [illegible] in contrast with [illegible]

It is especially the domestic demand and also the competitive situation which can, within certain limits, be influenced by government measures (government orders, subsidies, bonuses). These relatively fast-working measures in each case generate costs for the taxpayer, something for which the national economy does not always get something in return (for example, in the case of export subsidies) or where the countervalue is doubtful (as in the case of the wrecking of still entirely useful ships for which however a bonus is paid).

Those measures which not only cause costs but which give the taxpayer a corresponding countervalue, in other words (subsidized) production activities for the homeland, especially government orders, have foreign-trade consequences inasmuch as they reduce the foreign-exchange earnings compared to the earlier situation. The level and the duration of time for which the government considers it worthwhile to pay export subsidies will depend on how the long-term development of the market is estimated, especially also what position is considered desirable in international division of labor in long-range terms and what earning possibilities can be expected realistically.

On the whole, we can assume that the international markets--including phases of stagnation--will grow above all due to the development of the Third World. But new offerors will also be added, coupled with the possibly simultaneous blocking of new markets due to protectionist measures; beyond direct protectionist steps, the competition situation is characterized by the ratio between quality and price for a particular product. The important thing here is that, above a specific quality threshold, which is more or less high depending upon the type of production activities, there is no proportionality between (increasingly favorable) competition situation and quality. For civilian and military bulk goods consumption, this threshold is relatively low; for capital goods and large military equipment it is higher. The decisive thing is that, above the threshold, an improvement in the competition situation can be achieved increasingly only by lowering prices. This is the goal of export subsidies which bring about a reduction in the product prices at the expense of the national community as a whole instead of the expense of the particular producer who otherwise would discontinue his production program.

We therefore need not use the postulate of a demand for civilian goods from the Third World--slowed down especially by military procurements--to help us in explaining why the situation, for example, in civil machine-building is getting increasingly difficult. Foreign laborers have in the meantime reached the required quality standard--combined with lower costs and lower prices. Civilian "peak technologies" at considerably higher prices on the other hand are not sufficiently in demand and frequently would not make any sense at all especially to meet the needs of the developing countries. In this respect, the promotion of civilian "peak technologies" for export is entirely questionable. More realistic is the prospect of sustained subsidies which in the case of "peak technologies" would necessarily have to turn out higher because they generate disproportionately higher costs.

The situation is different in the military sector, especially on the market for big equipment units. Here we have extreme demands in order as much as possible to rule out any superiority by the enemy and there is a readiness to pay adequate prices. One example here is the great demand for the Leopard which is considerably more expensive than roughly comparable products (for example Chieftan).

On the other hand it might objected that the import of armaments deprives the importers of funds which otherwise--for example, through the import of civilian capital goods--could have been used to increase the goods output of those countries. It has therefore been argued that the FRG, by exporting arms to the Third World, is harming itself also in economic terms by causing a shortage in the funds available in those for the import of civilian capital goods.

Although the loss of funds here is a fact, this line of argument must be countered against the background of the discussion we are conducting here by stating that such funds for the purchase of civilian capital goods in the Third World do not necessarily lead to greater imports of such goods from the FRG; on the contrary, as a matter of fact, we can expect that this if anything will help other exporters. Besides, the line of argument mentioned contains the premise that less arms exports from the FRG could lead to a situation where more funds would be available for civilian production purposes. In the light of past experience, arms exports however are so determined by the demand that a refusal by the FRG would lead to corresponding imports from some other countries. Even concentrated action by all industrial countries (which is considered very unlikely) to stop arms transfers to the Third World would not yet necessarily lead to the diversion of resources to civilian projects.

It would be different if progress were to materialize regarding worldwide disarmament, including the developing countries.

Prospects for Development of Future Arms Export Policy

Judging by the peace-policy norm which in particular springs from the Constitution and judging by the declared peace-policy priority assigned by the federal government, neither the "political principles" has control instrument nor--especially so--actual political practice can meet the requirements here. In particular--apart from difficulties in terms of definition--the determination not to deliver any weapons of war into areas of tension cannot a priori attain the peace-policy goals but rather, under certain circumstances in individual cases, it might even run counter to those goals.

A second, very serious point in the critique concerns the credibility of the federal government both regarding the specifics of the "political principles" and--in this case especially--the licensing practice. This credibility is endangered in several respects, if it has not already been lost--with a view to the receiving countries in the Third World, regarding Western industrial countries, and finally also in domestic-policy respects.

The domestic-policy damage would appear to be particularly serious in long-range terms due to the government's loss of credibility deriving from the increasingly frequent contradictions whose end we cannot as yet detect. This process is all the more dangerous since the effects are comparable to an erosion process whose consequences will be noted only by the time it is too late for countermeasures. The problem complex of arms exports has become a kind of touchstone for question as to the extent to which an upright policy is possible with the goal of reconciling the claim and the reality and that applies especially to open-minded, thinking citizens, even those with a different basic political attitude, especially members of the

The answer to that question again will tell us whether the much-deplored atmosphere of resignation and disgruntlement with government is to be helped along or whether active identification with the establishment is to be facilitated, commensurate with the concept of the sovereign citizen.

Responsibility for arms exports first of all is faced by all those who participate to the extent of the control possibilities available to them. That applies primarily to the client but also to the producer or supplier and the government which can seriously influence the situation through its licensing authority. The responsibility of the producer or supplier is relativized by the fact that, in case of a refusal by one producer, another producer will usually come up and he might even be found in the same country. The administration's responsibility is influenced by the fact that, in the absence of corresponding international agreements, a foreign government will mostly be ready to license a corresponding export transaction from its country or perhaps even actively promote such a transaction.

In the case of the FRG, the federal government has an additional responsibility through the provision in the Constitution because the Constitution's preamble, which is binding upon all government agencies, expressly states a "responsibility before God and man," combined with the will "to serve world peace."

Far-reaching conclusions must be drawn from this twin responsibility, especially regarding the fact that the federal government must in detail take up each individual case from the viewpoint of peace policy. That applies at any rate, unless general rules concerning the effect of certain arms transfers upon the preservation or restoration of peace can be set up--something which will be possible only in the very rarest of cases. It also particularly important to note that the federal government cannot freely choose the priorities constituting the basis of its decisions. If a transfer were desirable in the light of simple foreign-policy opportunity and/or for economic reasons but if it were to support intentions threatening peace, then it would have to be stopped.

In most cases it will however not be simple even with the help of careful analysis to arrive at a clear view. At least, there will be different opinions within a certain spread and each of those opinions will have to be taken seriously. In those cases it is a good idea to assign special significance to the situation estimates of the recipient or purchaser of the arms especially since the recipient or purchaser has a special responsibility, among all those involved, according to what we said earlier. In this process, the federal government will have to be particularly careful to find out whether it can or cannot consider the recipient trustworthy regarding the peace-policy requirement and to that extent it will have to make certain differentiations.

A very difficult situation arises when severe restrictions springing from peace-policy reasons clash with foreign-trade difficulties which could be mitigated by means of arms exports. As foreign-trade difficulties increase, there is a growing probability that such cases might arise. If they do materialize, that is to say, if the difficulties do not remain local or if they do not remain confined to a certain sector, then we have a situation in which the national community as a whole would have to show and indeed would indicate what price it is prepared to pay to meet the urgent peace-policy requirements, especially those spelled out in the Constitution.

If the stringently applied peace-policy decision-making process on the other hand leads to a considerable increase in arms exports and thus to stepped-up armament efforts by the Third World also with the help of the FRG, one could ask the justified question as to how this can be reconciled with disarmament goals. In this case--because we assume that we have a stringent decision-making process in terms of peace-policy--every export transaction becomes an alarm signal for a condition which is brought about not only by arms exports but by more profound political as well as economic and social causes that keep the intensities of conflict--intention as well as fear--in high gear while the degree of renunciation of the use of force is not high enough to prevent the outbreak of war in combination with moderate deterrence. In such a situation, a dispute over arms exports would be more in the nature of an alibi for the failure to make efforts, to improve the conditions for disarmament, specifically, to reduce the intensity of conflict and to strengthen the renunciation of force in long-range terms.

PHOTO CAPTION

Eckehart Ehrenberg, PhD, physics, born in 1944, studied physics, mathematics, chemistry, and political science in Cologne, Bonn, and Manchester. After working as a desk officer for the SPD federal executive committee and research activity at the University of Bonn, he became a self-employed scientist and writer. Research contracts, consultant activities, instructor at the University of Bonn. Several books published on arms policy (1975, 1978, and 1981).

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